In the Supreme Court of the United States.

OCTOBER TERM, 1910.

WILLIAM CROZIER, PETITIONER,
v.
FRIED. KRUPP AKTIENGESELLSCHAFT. } No. 130.

ON WRIT OF CERTIORARI TO THE COURT OF APPEALS OF THE DISTRICT OF COLUMBIA.

BRIEF FOR PETITIONER.

STATEMENT OF CASE.

This case comes on certiorari to the Court of Appeals of the District of Columbia. It involves the single question of the jurisdiction of the court below to enjoin the petitioner as the representative of the United States from manufacturing ordnance for the Army which respondent claims infringes its patents.

Fried. Krupp Aktiengesellschaft, a corporation organized under the laws of the German Empire, filed its bill in the Supreme Court of the District of Columbia, praying an injunction against the petitioner, William Crozier, to restrain him from manufacturing certain field guns and carriages claimed in the bill to infringe devices covered by letters patent of the United States, Nos. 722,724, 722,725, and 791,347, which are owned by the German corporation.

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These patents are said to embody improvements in recoil brakes for guns, improvements in guns with barrel having recuperator springs, and improvements in recoil brake for wheeled gun carriages. (R., 2–5.) The patents were originally issued to Fried. Krupp, of Essen-on-the-Ruhr, Germany; the first two on March 17, 1903, and the third on May 30, 1905. Krupp having died, his executors, on September 22, 1906, for a valuable consideration, assigned the several patents to the respondent, which deed of assignment was recorded in the Patent Office of the United States October 4, 1906. (R., 6.) The bill then alleges that the petitioner, Crozier, was manufacturing, or superintending the manufacture of, and intends to continue to make, or cause to be made and used, guns and recoil brake apparatus therefor, which embody in their construction the devices shown on the photo prints annexed to the bill (R., 11) as exhibits thereof, covered by the respondent's letters patent. It is charged that the petitioner, Crozier, since the 17th day of March, 1903, and within six years prior to the filing of the bill, has been carrying on this manufacture in the city of Bridgeport, Conn., in the Watervliet Arsenal, in New York, and the Rock Island Arsenal, in Illinois, and that, although notified of his alleged infringement, has continued to make and use, or cause to be made and used, the guns and carriages aforesaid. (R., 8.) The bill charged that the Krupp Company will sustain irreparable injury unless it has the injunctive relief which it prays.

Thereafter a stipulation was entered into between the parties providing for the amending of the bill in certain details and for spreading upon the record the official character of the petitioner Crozier and other matters which were facts in the case. It was stipulated that the Government of the United States and its Ordnance Department have manufactured, are now manufacturing, and intend to continue to manufacture and use, or to cause to be manufactured for their use, field guns and carriages, made after the so-called model of 1902, referred to in the bill of complaint, the claim or claims of complainant being in no wise admitted; that the defendant, William Crozier, sued herein is an officer of the United States Army and Chief of the Ordnance Department of the said Army, and is the officer in the service of the United States who directs and is in charge of such manufacture of said field guns and carriages for the United States. In its provision for the amendment of the bill the stipulation changed the prayer of the bill for relief to one asking merely for a permanent writ of injunction against the said Crozier, his agents and employees, from making, or causing to be made, any gun or gun carriages or other devices which shall employ any of the inventions secured by any of the letters patent of the Krupp Company. (R., 11.) It also exonerated the said Crozier from any pecuniary benefit from the act sought to be restrained and waived any claim against him for damages or accounting of profits.

To the bill as thus amended with the stipulation, the petitioner, Crozier, demurred, on the ground that it was virtually a suit against the United States, and that its object was to enjoin the United States from manufacturing field guns and carriages after its own model, by the indirect method of enjoining the officer in the United States Army who was in charge of this particular work. (R., 12–13.) The Supreme Court of the District of Columbia sustained the demurrer and dismissed the bill. (R., 13.) On appeal from this decree the Court of Appeals of the District of Columbia, speaking through Mr. Justice Robb, reversed the lower court (R., 18), in an opinion found on page 15 of the record herein. Thereupon a writ of certiorari was allowed by this court, and the case is here on this record.

ARGUMENT.

I.

The suit is unauthorized, being either against the United States directly, which is the only person to be affected by the decree, and hence a necessary party is wanting; or indirectly against the United States through the person of its officer and agent, for which proceeding no authority is vouchsafed by law.

It must appear plainly from the record that the petitioner Crozier, the Chief of Ordnance of the United States Army, in the course of his official duties is manufacturing or supervising the manufacture of field guns and carriages at the Government workshop in Bridgeport and in the Government arsenals at Watervliet and Rock Island, and that the Krupp Company, con-

tending that the field guns and carriages thus manufactured after the Government's model of 1902 infringe its patents, attempts by this suit to restrain the United States from continuing such manufacture. The petitioner has absolutely no private interest in the matter. The bill concedes that he has derived no pecuniary profit from the manufacture sought to be enjoined and it claims from him no damages or profits. It is obvious why such a concession and disclaimer are made. It needs must be if the petitioner is sued only as the human agent of the Government in doing this work. He is proceeded against merely as a representative of the United States. The object of the suit is not to affect Crozier, but to achieve the discontinuance of the manufacture of the field guns and carriages. But whose manufacture? Who is to be stopped? Not the petitioner, who has no army and no personal need for field guns or carriages nor any individual concern whether they be manufactured or not. It is stipulated on the record that it is the United States which is manufacturing and which means to continue to manufacture the field guns, and it is this precise manufacturing by the United States which is sought to be enjoined. The materials, the raw products, and all the component parts used in the manufacture of the field guns and carriages are the properties of the United States. The places where the manufacturing is being carried on are the Government's workshops and arsenals, and the devices which are being manufactured, claimed to be an infringement of the Krupp Company's patents, are the Gov-

ernment's models of 1902. The title to all of these is in the United States. The right itself to manufacture these implements of war underlies this particular industry and enterprise, which are not in any sense private, but wholly national in character, and are the sovereign prerogative of the United States under its constitutional authority to provide for the national defense. Turn it as you will, there is no aspect of this suit wherein it can appear that any person but the United States itself is the party proceeded against, the party whose property is sought to be struck down, and the only party who can possibly be affected by the injunction which is prayed. For, obviously, if the petitioner, Crozier, should be enjoined, and a new Chief of Ordnance be substituted in his place, he would be enjoined, and so on *toties quoties*, resulting only and inevitably in the restraining of the Government itself.

Consequently the exact question presented upon this record is whether the courts have any jurisdiction *to restrain the United States* from the manufacture of ordnance, in the course of its work in equipping and maintaining its Army, because of the claim of a German company that such manufacturing employs its inventions without its consent?

GOVERNMENT IMMUNE FROM SUIT EXCEPT WHERE IMMUNITY WAIVED.

The familiar doctrine of the common law that the sovereign is immune from suit by his subject (Bracton, de Leg. 168 B, Staunford Prerogative, 72 B; Hale, Analysis of Law, sec. 9), unless where his permission is specially granted (*Doe* v. *Roe*, 8 Mee. and W., 579),

applies to the United States. The principle of the old law underlying this immunity, that it would be vain for the King to issue his writ against himself, does not obtain in this country, but the immunity is based on the better principle of public necessity and policy, and so "the universally received opinion," says Marshall, C. J., *Cohens* v. *Virginia*, 6 Wheat., 264–411, "is that no suit can be commenced or prosecuted against the United States." The doctrine was well stated by this court in the language of Mr. Justice Field: "It is a familiar doctrine of the common law that the sovereign can not be sued in his own court without his consent. The doctrine rests upon reasons of public policy; the inconvenience and danger which would follow from any different rule. It is obvious that the public service would be hindered and the public safety endangered, if the supreme authority could be subjected to suit at the instance of every citizen, and consequently controlled in the use and disposition of the means required for the proper administration of the Government. The exemption from direct suit is therefore without exception. The doctrine of the common law is equally applicable to the supreme authority of the nation, the United States. They can not be subjected to legal proceedings at law or in equity without their consent, and whoever institutes such proceedings must bring his case within the authority of some act of Congress. Such is the language of this court in *United States* v. *Clark*, 8 Pet., 444. The same exemption from judicial process extends to the property of the United States

and for the same reasons. As justly observed by the learned judge who tried this case, there is no distinction between suits against the Government directly and suits against its property." (The Siren, 7 Wall., 152–154.)

IMMUNITY WAIVED.

The United States has consented to be sued through successive acts of Congress. These suits must be filed in the Court of Claims or in the Circuit or District Courts of the United States. The first consent was granted in the act of February 24, 1855, 10 Stat., c. 122, p. 612, followed by the act of March 3, 1863, 12 Stat., c. 92, p. 765, and the act of March 3, 1887, 24 Stat., c. 359, p. 509, with amendments, and finally in the recent act (passed since the decree below) of June 25, 1910, 36 Stat., c. 423, p. 853.

This court has often construed the rights of the owners of patented inventions, where a claim is made for their use by the United States. Under the statutes the United States may be sued on a contract where it or its representatives have used the inventions under a contract made by the United States with the owner of the invention. (*United States* v. *Palmer*, 128 U. S., 262; *United States* v. *Berdan Company*, 156 U. S., 552.) The United States may also be sued under an implied contract, where it has appropriated the patented property of an individual under circumstances implying an agreement on the part of the Government to pay reasonable compensation therefor. (*United States* v. *Great Falls*

Mfg. Co., 112 U. S., 645; *United States* v. *Alexander*, 148 U. S., 186–191.) But the Government can not be sued in cases of tort. The United States has not consented to be sued in actions sounding in tort for wrongs done by their officers, even though in the discharge of official duties. (*Gibbons* v. *United States*, 8 Wal., 269; *Langford* v. *United States*, 101 U. S., 341; *Hill* v. *United States*, 149 U. S., 593.) In the case of *Schillinger* v. *United States*, 155 U. S., 163, this court said "the United States can not be sued in their courts without their consent, and in granting such consent Congress has an absolute discretion to specify the cases and contingencies in which the liability of the Government is submitted to the courts for judicial determination. Beyond the letter of such consent the courts may not go, no matter how beneficial they may deem or in fact might be their possession of a larger jurisdiction over the liabilities of the Government. * * * It is true also that to jurisdiction over claims founded upon any contract, expressed or implied, with the Government of the United States is added jurisdiction over claims for damages, liquidated or unliquidated, but this grant is limited by the provision in cases not sounding in tort. This limitation, even if qualifying only the clause immediately preceding, and not extending to the entire grant of jurisdiction found in the section is a clear endorsement of the frequent ruling of this court that cases sounding in tort are not cognizable in the Court of Claims." Nor can the tort be waived and the litigant proceed upon

an implied contract. (*Russell* v. *United States*, 182 U. S., 516.) By the same reasoning it is established that this immunity of the Government itself extends equally to its property, and there is no distinction between suits against the United States and against its property. (*Stanley* v. *Schwalby*, 147 U. S., 508–512.)

OFFICERS NOT IMMUNE.

However, it does not follow that this immunity extends to the officers of the Government. It is now settled beyond debate that the officers and agents of the Government, civil and military, in times of peace are personally liable to an individual whose rights of property they have wrongfully invaded, even by authority of the United States. (*Bates* v. *Clark*, 95 U. S., 204.) Such officers, although acting under the orders of the Government, are personally liable to be sued for their own infringement of a patent. (*Cammeyer* v. *Newton*, 94 U. S., 225–235.) So that, under the present holdings of the court construing, on the one hand, the immunity of the Government from suit, and, on the other hand, the rights of a patentee to sue for compensation where his patent has been used by the United States, it results that he may sue the United States, first, where he has an express contract; second, where, under the circumstances, the contract would be implied; third, he may sue the officer, where there is no contract, express or implied, with the Government for the use of the patent, for damages for the infringement and an accounting of the profits which he may have made. The holding that

the patentee may not sue the United States in tort for the use of his patent without his consent, nor waive the tort and sue on the contract to be implied, was reached in interpreting the acts relating to the Court of Claims, passed by Congress prior to the time of the institution of this suit. But in the recent act, approved June 25, 1910, the patentee is given still further authority to sue the United States, and he may now file suit in the Court of Claims to recover compensation where his patents have been used without his consent, though there be no contract with the Government, express or implied. The act is as follows:

An Act To provide additional protection for owners of patents of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That whenever an invention described in and covered by a patent of the United States shall hereafter be used by the United States without license of the owner thereof or lawful right to use the same, such owner may recover reasonable compensation for such use by suit in the Court of Claims: *Provided, however*, That said Court of Claims shall not entertain a suit or award compensation under the provisions of this Act where the claim for compensation is based on the use by the United States of any article heretofore owned, leased, used by, or in the possession of the United States: *Provided further*, That in any such suit the United States may avail itself of any and all defenses, general or special,

> which might be pleaded by a defendant in an action for infringement, as set forth in Title sixty of the Revised Statutes or otherwise: *And provided further*, That the benefits of this Act, shall not inure to any patentee, who, when he makes such claim is in the employment or service of the Government of the United States; or the assignee of any such patentee; nor shall this Act apply to any device discovered or invented by such employee during the time of his employment or service.

But it is the contention of respondent that besides these provisions for relief in its behalf, the Krupp Company may go further. Upon its contention, apparently, not only may the German company file suit in the Court of Claims, and compel the United States to pay it for the infringement of its patents in the manufacture of its field guns and carriages after its own models of 1902, should the fact of infringement be established, but it is entitled to peremptorily stop and prohibit the United States from the use of such patents. In other words, it has the power to restrain the Government from taking this property even though compensation be made. Such a position, we think, is wholly untenable.

BUT NO ENJOINING OF GOVERNMENT THROUGH ITS OFFICERS.

It is submitted that the conceit of suing the officer in this case does not save the proceeding from its necessary gravitation into its reality as a suit against the United States and its property. That the United States can not be sued in this indirect manner any

more readily than in a direct proceeding has been announced by this court in *Belknap* v. *Schild,* 161 U. S., 10, and *International Postal Supply Co.* v. *Bruce,* 194 U. S., 601. In the *Belknap* v. *Schild* case, the owner of a patent for an improved caisson gate sued an officer of the United States to enjoin the manufacture and use of the gates by the Government at Mare Island, Cal. The court said at page 25:

> In the present case, the caisson gate was a part of the dry dock in a navy yard of the United States, was constructed and put in place by the United States, and was the property of the United States, and held and used by the United States for the public benefit. If the gate was made in infringement of the plaintiff's patent, that did not prevent the title in the gate from vesting in the United States. The United States, then, had both the title and the possession of the property. The United States could not hold or use it, except through officers and agents. Although this suit was not brought against the United States by name, but against their officers and agents only, nevertheless, so far as the bill prayed for an injunction, and for the destruction of the gate in question, the defendants had no individual interest in the controversy; the entire interest adverse to the plaintiff was the interest of the United States in property of which the United States had both the title and the possession; the United States were the only real party, against whom alone in fact the relief was asked, and against whom the decree would effectively operate; the plaintiff sought to con-

> trol the defendants in their official capacity, and in the exercise of their official functions, as representatives and agents of the United States, and thereby to defeat the use by the United States of property owned and used by the United States for the common defence and general welfare; and therefore the United States were an indispensable party to enable the court, according to the rules which govern its procedure, to grant the relief sought; and the suit could not be maintained without violating the principles affirmed in the long series of decisions of this court, above cited.

The officers of the United States were the parties nominally on the record, but the Government would be the actual party restrained if the complainant prevailed.

The next case was the *International Postal Supply Co.* v. *Bruce*. In that case the complainant was the owner of letters patent for a post-marking machine and sued to restrain the postmaster at Rochester, N. Y., from using machines which were in use exclusively by his subordinates, employees of the United States, which he claimed infringed his patents. The machines were operated by the Post Office Department under a lease with the manufacturer and the term had not yet expired. This court said in following the *Belknap* v. *Schild* case, and refusing the injunction:

> It was pointed out that the defendants had no personal interest in the continuance of the use, and that, so far as the injunction was concerned, the suit really was against

> the United States. Of course, if those defendants were enjoined other persons attempting to use the caisson gate would be, and thus the injunction practically would work a prohibition against its use by the United States. (International Postal Supply Co. v. Bruce, supra, 605.)

It is submitted that the case at bar is not distinguishable from these cases. The respondent admits that the petitioner, Crozier, has no interest in the suit, has made no profits, and it asks no damages from him. Its effort is to stop the manufacture of the field guns and carriages. It admits that this manufacturing is the business of the United States. The physical materials and the raw products required, as well when in the process of being assembled in the completed device as the completed device itself, are the properties solely of the United States, and there is no differentiation to be made between stopping the United States from its use of the field guns when *in fieri* and when actually *in esse*. The manufacturing of the articles is an incident of the property, which includes the preparation of the articles from their initial stages and the use of the articles when so prepared. In none of these has the petitioner, Crozier, any interest. The situation, then, which results is that the Government is manufacturing and intends to continue the manufacture and use of the field guns and carriages which it possesses or will possess. As suggested before, all of the properties involved in such manufacturing are solely the properties of the United States. The model of 1902 is its own model, and the

workshops and arsenals where the manufacturing is being done are the Government's possessions. And a further and very important element in the case is that the manufacturing of armament for the equipment of the Army for the national defence is peculiarly the property of the United States, and is an industry belonging solely to the Government as an element of its sovereignty. Thus the entire interest, as stated by this court in *Belknap* v. *Schild*, adverse to the plaintiff, is the interest of the United States in property of which the United States had both the title and the possession, and the United States is the only real party against whom, in fact, the relief was asked and against whom the decree would effectively operate. The respondent seeks to control the petitioner solely in so far as he is an officer of the United States. Hence it must appear that the effort in this case is only to restrain the Government. Were the petitioner not the Chief of Ordnance of the United States Army, he would not be a party to the suit. So the mere fact that the United States is not named on the record does not avail. As this court has said in *Minnesota* v. *Hitchcock*, 185 U. S. 375: "The question whether the United States is a party to the controversy is not determined by the mere nominal party on the record, but by the question of the effect of the judgment or decree which can be entered." Applying this rule to the case at bar, it is inevitable that the Government is the real party, the defendant in the action.

There now arises a dilemma upon one or the other horn of which the respondent must be impaled. If

the Government be the real party to the action, the suit must fail for want of an indispensable and necessary party, who is the only party whose rights are attempted to be affected in the suit. On the other hand, if the effort of the suit be to restrain the United States through its officer and representative, the case must fail because of the absence of any authority for such proceeding. As this court has said, the court then loses jurisdiction to issue an injunction:

> In the absence of express waiver of its immunity the courts have no jurisdiction to grant an injunction against an officer of the United States where it appears that the United States is the real party and would be the party affected by the judgment or decree. (*Oregon* v. *Hitchcock*, 200 U. S., 60–69; *Naganab* v. *United States*, 200 U. S., 473.)

II.

The frame of the bill seeking to enjoin the future making of field guns and carriages does not take the case out of the rule. The injunction, if granted, necessarily affects only the Government and its property.

By the stipulation the respondent has limited its bill to a prayer for an injunction only against a future manufacture by the United States of the breech-loading guns and carriages which it claims infringe its patented devices. As it makes no claim against the petitioner Crozier for any profits or for damages, it eliminates him from the case, and it contends that because it does not ask for the surrender of any

property or field guns or carriages already manufactured by the Ordnance Department of the United States Army, it escapes the doctrine laid down by this court in *Belknap* v. *Schild* and *International Postal Supply Co.* v. *Bruce*, supra. This contention will not bear analysis. When the case of the respondent is examined, it will be found that all of the elements of property present in the *Belknap* v. *Schild*, and *International Supply* v. *Bruce* cases, are in this record with even a greater element of property besides. First of all, it is plain that the thing desired to be achieved is the compulsory cessation by the United States of its manufacturing any more field guns and carriages made after the model of 1902 in its own workshops and arsenals at Bridgeport, Watervliet, and Rock Island, by its own agents and employees, for the equipment of the United States Army. Testing the case by the object upon which the injunction must operate, we see that its direct and sole effect is to stop the utilization of the raw materials, implements, fittings, and other property of the United States, from being assembled and combined according to the Government's model of 1902 into completed field guns and carriages; to deprive the Army of the United States of the use or employment of such materials as its Ordnance Department owns when prepared and finished in models which it owns; to arrest the industry of the Government for the supply of armament and equipment to its Army; to prohibit its workmen and employees in its arsenals from carrying on their work under the direction of the Chief of

Ordnance of the United States Army; and to paralyze the Army plants of the United States so far as the making of field guns and carriages is concerned. Certainly there is a larger scope to the property of the United States thus to be affected than in the *Belknap* v. *Schild* case, where a caisson gate, or in the *Postal Supply Co.* v. *Bruce*, where a stamp-canceling machine was the object of attack. Obviously the Government can not continue to manufacture its models of 1902 except out of property which it owns. The respondent makes no claim that it has title to the materials of which the models are made, as indeed it could not do. Its claim is that the infringement occurs in the combination or fashioning of these materials into the models. So that the act sought to be restrained is the combining, the fashioning, or the making. But this is an intangible and immaterial act springing out of the manipulation and utilization of actual and tangible property of the United States. Accordingly, the force of the injunction does not strike the intangible and technical trespass involved in the mental borrowing, if such the fact be, of respondent's devices, but behind that strikes upon the actual use of the physical property of the United States in which such a borrowing of ideas may be employed. So it is that the inevitable and necessary effect of this injunction would be the working of a prohibition of the Government in its use of its own properties, and the shutting down of its machinery and plants,

The case, however, is not without an exact precedent. The same question arose in the case of *Dashiell* v. *Grosvenor*, decided February 5, 1895, in the Circuit Court of Appeals for the Fourth Circuit. In that case Grosvenor sought an injunction against Dashiell, an officer in the United States Navy, to *restrain him from the future making or manufacturing of certain cannon* at the Washington Navy Yard because of the claim that such future making of cannon would infringe complainant's patents. The United States was omitted from that action as in the case at bar; nor did the bill seek to have any completed cannon delivered up to complainant, but it aimed its relief only *in futuro*. The lower court granted the injunction and this decree was reversed by the Court of Appeals. In the opinion the court, speaking through Goff, circuit judge, said:

> We think that the pleadings and proof of this case clearly demonstrate that this is in substance, if not in form, a proceeding the object of which is to prevent the manufacture of breech-loading cannon of a certain character, and of a particular device, at the Navy Yard of the United States, in the city of Washington, District of Columbia, by those officially in charge thereof, representing the Government of the United States, and also it is clearly shown that the injunction granted by the court below, will in effect prohibit the officer so in charge of said Navy Yard from manufacturing such cannon for use on the vessels of war of the United States, as provided for under the provisions of existing

legislation, the reason for such prohibition being that in so making breech-loading cannon said officers are infringing on the rights granted to Samuel Seabury by letters patent numbered 25,584, dated April 15, 1890. Should a suit instituted under such circumstances and with such intention be sustained? Do not public policy and the rights of the Government in its sovereign capacity require that parties feeling themselves aggrieved on account of matters relating to such transactions as we have alluded to, to such circumstances as are set forth by the evidence taken and filed in this case, should be compelled to seek relief and compensation, if so entitled, by proceedings in another manner and before another tribunal, and that the courts should not use their writs of injunction so as to retard and embarrass the Government in the prosecution of work the product of which is absolutely essential to the public welfare and the national defense. We think that the consent of the owner of a patented device, while it is desirable and should be obtained if it conveniently and reasonably can, is not positively necessary in order to enable the United States to use the invention described in the letters patent, particularly where it relates to the mode of construction of implements of warfare required by the Government and indispensable to the armament of its vessels of war. Such right to take and use the property of the citizen for Government purposes is indisputable, an inborn element of sovereign power essential to the independence and perpetuity of the nation. * * *

> We do not think that contending patentees striving between themselves and those interested with them, as to the validity of their respective letters patent, should be permitted to close the arsenals and ordnance shops and navy yards of the United States by injunctions issuing out of their litigation, thereby frustrating the designs of the Government, and rendering inoperative the legislation of Congress germane thereto and causing great loss of the public funds appropriated by Congress in the execution of the same. *It is true that the United States is not made a party to this action, but it is also true that it is disclosed by the pleadings and evidence that the cannon,* THE FURTHER MAKING OF WHICH IT IS THE OBJECT OF THIS SUIT TO ENJOIN, *are now being manufactured at the navy yard of the United States at Washington by the employees of that establishment under the direction of the Chief of Ordnance of the Navy Department; and it is apparent that such observance of the injunction granted by the court below, as should be shown by those to whom it is directed, and as must be necessarily demanded by the courts while it is in force and effect, will close said Navy Yard, so far at least as the manufacture of the breech-loading cannon is concerned, and thereby prevent the enforcement of certain laws of the United States, the consummation of which is of national importance. Dashiell* vs. *Grosvenor,* 66 Fed. 334.

This case on appeal to this court (*Dashiell* v. *Grosvenor,* 162 U. S., 424) was decided on the merits, which consideration rendered it unnecessary to consider the question discussed by the Court of Appeals.

In that connection, however, the court referred the question to its recent holding in *Belknap* v. *Schild* supra.

III.

The dominion of the owner of a patent confers no rights greater than those of the owner of other property. He may secure compensation from the Government for the taking of his patented property but he may not restrain the taking.

There is no contention made that the owner of a device covered by letters patent is not entitled to full protection in his property, even as against the Government. This court has long since settled that right in *James* v. *Campbell*, 104 U. S., 356, and as said in *Cammeyer* v. *Newton*, 94 U. S., 225, "public employment is no defense to the employee for having converted private property of another to the public use without his consent and without just compensation."

But the question raised in this case is not one of right but of remedy. It is submitted that the respondent has no greater right with respect to the remedies for an invasion of its property than any citizen of the United States would enjoy for the taking of his property without his consent. Assuming that the Government has taken the patents of the respondent, it has the remedy of suing the officer responsible for the damages which it may sustain and to compel him to account for any profits derived from the use of its property. By the new and larger dispensation granted in the act of June 25, 1910, the Krupp Company may file suit in the Court of Claims

directly against the United States and recover compensation proportionate to the injury it may sustain by reason of the taking of its property. But further than this, it is submitted, it can not go. It can not prohibit the United States by injunction from the taking of such property. There is no conflict with the constitutional provision of securing to authors and inventors the exclusive right to their respective writings and discoveries, for there is a just compensation made for the property which may be taken. And even were there not this element of compensation, there would arise the situation where the consideration of public policy would intervene the rights of the patentee and the enforcement of such rights by *the extreme remedy of injunction.* The rights of the patentee, as of any other owner of property, must be construed under the general law with its principles of public policy and the doctrine of immunity of the Government from suit. The owner of a patented article holds his property subject to this rule equally with the owner of any other property. If wrong has been done him, he can sue the United States only where the United States has consented to be sued. As explained heretofore, such consent has been expressed in different acts of Congress relating to the Court of Claims, but there has been no permission extended for *the restraining* of the United States. No authority has been specified for the nugatory performance of an injunction issuing out of a court of the United States upon the authority of the United States to restrain itself. Granted that he is

entitled to keep his property unless compensation be given to him for its taking, it by no means follows that he may prohibit the Government from taking it unless some such authority to so restrain the United States has been allowed to him as an exception to the general rule that the United States may not be sued except in the manner it has specified in the several statutes relating to the prosecutions of claims against the United States.

The opinion of the court below proceeds upon the theory that the Krupp Company is damaged by the taking of its property and that suffering in a right, it must follow that it is entitled to injunctive remedy. But this we submit, does not follow. The opinion does not notice the difficulty of awarding such remedy over the immunity of the Government from such suit. On this point this court has had occasion to observe that while it is admitted that the owner of private property is entitled to protection it does not follow that in redressing his wrong it is permissible to commit another wrong and sue the United States.

> The United States can not be sued in their courts without their consent, and in granting such consent, Congress has absolute discretion to specify the cases and contingencies in which the liability of the Government is submitted to the courts for judicial determination. Beyond the letter of such consent the courts can not act no matter how beneficial they might deem, or in fact might be their possession of a larger jurisdiction over the liabilities of the Government. * * * It is said that the

> Constitution forbids the taking of private property for public uses without just compensation; that therefore every appropriation of private property by any official to the uses of the Government, no matter how wrongfully made, creates a claim founded upon the Constitution of the United States and within the letter of the grant in the act of 1887 of the jurisdiction to the Court of Claims. If that argument be good, it is equally good applied to every other provision of the Constitution as well as to every law of Congress. This prohibition of the taking of private property for public use without compensation is no more sacred than that other constitutional provision that no person shall be deprived of life, liberty, or property without due process of law. Can it be that Congress intended that every wrongful arrest and detention of an individual or seizure of his property by an officer of the Government should expose it to an action for damages in the Court of Claims? If any such breadth of jurisdiction was contemplated, language which had already been given a restricted meaning would have been carefully avoided."
>
> *Schillinger* v. *United States*, 155 U.S., 163–168.

It is by no means urged that the United States has any such prerogative as that claimed by the English sovereign by which it can reserve to itself, either expressly or impliedly, a superior dominion and use in that which it grants by letters patent to those who entitled themselves to such grants. The Government or its officers are subject, as well as a citizen, to

the Constitution, and a patentee is entitled to his patent as a matter of right and not merely of grace and favor as under certain English grants. But the distinction must be drawn between the recognition of such right, and as a necessary conclusion therefrom, the existence of a consequential right to sue the United States for an injury thereto, in a manner not allowed by any law. The United States does not lose its right of immunity from suit by granting to a patentee a right in his device. Under the liberal provisions of the act of June 25, 1910, the United States has fortified the right of a patentee against any improper use of his property by the Government; but it has not consented to be enjoined. And the reason why that extreme relief should not be granted to a patentee is well exemplified by the facts in this case. Here the Krupp Company is the maker of guns and other implements of war, the only market for which is among the different nations of the earth. Private individuals are not dealers in such articles. The restraining of the United States would only result in eliminating the Government from this market. Even though the Government made compensation for the articles, the respondent would have it that by virtue of letters patent of the United States it was intrenched in a position where it could refuse to sell these articles to the United States and prohibit the United States from taking them even upon making proper compensation.

It is submitted that a very important branch of public policy supports the doctrine of the immunity

of the United States from being sued and enjoined by a patentee under such circumstances as these. The Government has reserved no right in the patents conferred superior to that bestowed, but it must retain its own sovereignty, one incident of which is the right to be free from being enjoined in its public works whenever a litigant may conceive an infringement and resort to suit.

IV.

Plain, adequate, and complete remedy may be had by respondent for the invasion of its patents and no circumstance of the case warrants the court's interference by injunction, even if jurisdiction to do so otherwise existed.

As already suggested, the respondent is not remediless for any injury it may sustain through a possible infringement. It may sue the petitioner or any other officer of the United States for damages and it may demand of him an accounting of profits, if he have made any profits. Such suits as these have been maintained. (*Bates* v. *Clark*, 95 U. S., 204; *Poindexter* v. *Greenhow*, 114 U. S., 270; *Armstrong-Whitworth Co.* v. *Norton*, 15 Appeals, D. C., 223.) So also suits have been allowed against the officers individually as trespassers. (*United States* v. *Lee*, 106 U. S., 196.) In the event that damages be recovered there is a natural adjustment of the rights of the patentees, for it is not conceivable that an officer may continue to act in the discharge of his official duties in such wise as has previously rendered him liable personally for damages. But over and above all

this is the full remedy now afforded patentees by the act approved June 25, 1910, which, as entitled, provides additional protection for owners of patents of the United States. Under this act the respondent may go in the Court of Claims and recover full compensation for all field guns and carriages hereafter to be made, which may infringe its patents. It may recover damages for the same future making of these devices which in the present suit it seeks to restrain.

This act was not passed when the Court of Appeals decided the case below (October 7, 1908). The Court of Appeals proceeded on the theory that there was no remedy unless the injunction was granted. While we do not follow the court in its conclusion that there must be jurisdiction to issue the injunction against the United States indirectly through its officer, although no statute permits such procedure, merely because the respondent would be injured were the injunction denied, however desirable such a conclusion might be, still the passing of the act of June 25, 1910, certainly alters the situation and suggests that the Court of Appeals would have refrained from holding as it did, had this act then been before them.

In the decision of this court in *Schillinger* v. *United States*, 155 U. S., 163, and *Hill* v. *United States*, 149 U. S., 593, the intimation that relief to patentees for Governmental appropriation of their property could not be had in the Court of Claims or the Circuit Courts, respectively, must now of course be restricted to cases arising prior to the passage of this recent act. By the same token the new legislation, conceived

in the effort to protect patentees in their relations with the Government, whether voluntary or not, will reinstate the thought of *James* v. *Campbell*, 104 U. S., 356, and *Hollister* v. *Manufacturing Co.*, 113 U. S., 59, that while there is no jurisdiction to restrain the Government indirectly through its officers, the patentee should be remitted to the Court of Claims or the Circuit Court for his relief. In *James* v. *Campbell*, supra, at page 359, this court speaking through Mr. Justice Bradley, said:

> The course adopted in the present case of instituting an action against a public officer, who acts only for and in behalf of the Government, is open to serious objection. We doubt very much whether such an action can be sustained. It is substantially a suit against the United States itself which cannot be maintained under the guise of a suit against its officers and agents except in the manner provided by law.

Both the *James* v. *Campbell* and the *Hollister* v. *Manufacturing Co.* cases were suits in equity to restrain officials of the United States from using patents claimed to infringe complainant's rights. In both cases this court denied the right of an injunction, suggesting that the plaintiff should take his remedy at law. Irrespective of whether at the time of those cases the plaintiff had full remedy at law, there is no question that he has such remedy now, and therefore under those very cases which affirm most emphatically the right of a patentee in his property to be exclusive even of the Government, it is yet asserted

that such patentee has no right to sue the Government for an injunction where not authorized to do so by some express law.

Wholly apart from the considerations which apply to a case where, as in the case at bar, effort is being made to enjoin the United States, there is still no authority for the injunction even were both parties private litigants, for under the circumstances the rule of the apportionment of hardships would be invoked and the injunction accordingly denied. Courts of equity frequently weigh the relative hardship inuring to the complainant if the injunction be denied, and to the defendant, if it be granted. And if it appear that the injury resulting to the defendant from the granting of the injunction would be harsher and more oppressive than that falling to the complainant if it be denied, the courts will remit the complainant to his other remedy and refuse to enjoin. (*Gerken* v. *Hall*, 71 N. Y. Suppl. 753; *Gray* v. *Patterson*, 45 Atlantic, 995 (N. J., 1900); *Lloyd* v. *Catlin Co.*, 213 Illinois, 460; *Smith* v. *Sands*, 24 Fed., 470; *Bowers Dredging Co.* v. *N. Y. Dredging Co.*, 77 Fed., 980; *Huntington* v. *Alpha Portland Cement Co.*, 91 Fed., 534.)

Assuming for the purposes of this consideration that the petitioner is not an officer of the United States Army, and sued as such, but that both he and the respondent are private litigants, it is manifest that the result of an injunction against petitioner would be to close his business so far as the manufacture of the field guns and carriages is concerned,

and a severe hardship would accrue to him. On the other hand, the refusal of the injunction would not damage the respondent, for in the last analysis the only thing it seeks, or can seek, is compensation, and this it is free to recover under the terms of the act of June 25, 1910. A fortiori does this rule apply in a case where the public interests are involved. (*American Ordnance Company* v. *Driggs Seabury Co.*, 87 Fed., 947.) It is submitted, therefore, that upon this ordinary principle of equity the injunction should not be granted even if we prescind from the more immediate question of jurisdiction, which of course is the cardinal question in the case.

The question presented upon the record is one of exact jurisdiction. It is the bare question of whether under any existing law the Krupp Company is entitled to compel the United States to stop manufacturing of its field guns and carriages through the medium of restraining the official who is charged with that work. No statute permitting such a procedure is known. What the respondent may do under present legislation is well recognized. But there is no dispensation for an injunction. The injury and the impediment to the discharge of its governmental functions which would result to the United States from such improper issuance of injunction can hardly be overestimated, for it strikes down its immunity from suit and subjects the operations of its ordnance plants and arsenals to the power of any litigant who may conceive infringement and secure an injunction to arrest this public work.

It is confidently urged that this jurisdiction does not exist, and never did exist, and that decision below is erroneous and should be reversed.

Respectfully submitted.

GEORGE W. WICKERSHAM,
Attorney General.

STUART MCNAMARA,
Special Assistant to the Attorney General.

APRIL, 1911.

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Supreme Court of the United States.

OCTOBER TERM, 1910. 1911

No. 130. 8

WILLIAM CROZIER,
Petitioner,
vs.
FRIED. KRUPP AKTIENGESELLSCHAFT,
Respondent.

BRIEF FOR RESPONDENT.

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New York City.

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Supreme Court of the United States.

NO. 130, OCTOBER TERM, 1910.

WILLIAM CROZIER,
Petitioner,

vs.

FRIED. KRUPP AKTIENGESELLSCHAFT,
Respondent.

The Act approved June 25th, 1910, authorizing patentees to recover reasonable compensation in the Court of Claims, applies only to infringements where the patented invention is used by the United States "hereafter" *i. e.*, after the approval of the Act. Said Act makes no reference to pending suits or even to infringements occurring before the Act.

The judgment of the Court of Appeals of the District of Columbia, and the writ of *certiorari* of this Court to review the same occurred more than a year before said Act was approved.

The equity of the bill should be determined as the law was, not later than when the judgment was rendered.

Busch vs. Jones, 184 U. S., 598, 599.

Statement of Facts.

This is a writ of *Certiorari* to the Court of Appeals of the District of Columbia to review a judgment of that court which reversed a judgment of the Supreme Court of the District of Columbia sustaining a demurrer to the bill of complaint herein

* Authorities for and consideration of the proposition that the Act of June 25th, 1910 did not oust the court of first instance of its jurisdiction to retain the bill, in the absence of specific provisions in that Act to that end, will be found *post*

and dismissing the bill with costs. The grounds of the demurrer are substantially that the Court had not jurisdiction of the cause of action because it is in substance one against the United States (though the United States is not named as a party to the action), and that the United States is a necessary party and cannot be sued without its consent and it has not consented (Rec., p. 12).

The bill was amended by stipulation (Rec., p. 10) *before the demurrer and the demurrer was to "the bill of complaint as amended with stipulation"* (Rec., p. 12).

The demurrer admits the truth of the following allegations, among others, set forth in the bill of complaint (R., p. 1) ; that the complainant is the owner of certain valid letters patent of the United States issued in conformity with the law of the United States, as follows : one of said letters patent on or about the 17th day of March, 1903, for certain new and useful improvements in guns with barrel recoil having recuperator springs ; one of said letters patent issued on or about the 30th day of May, 1905, for new and useful improvements in recoil brakes for wheeled gun carriages ; and another of said letters patent issued on or about the 17th day of March, 1903, for new and useful improvements in recoil brakes for guns ; that complainant and its assignors have at all times been ready and willing to make said inventions and to grant to others the right to use said improvements so patented, and have never acquiesced in any invasion or infringement of said rights and have extensively manufactured and sold some or all of the said patented inventions described in and covered by the said letters patent or some of them ; that the defendant, well knowing the facts above set forth, and without license or right and in violation and infringement of the letters patent and exclusive rights granted and secured to the complainant under said letters patent, has, since the 17th day of March, 1903, and within a period of six years prior to the filing of the bill, at places specified and elsewhere in the United States, made, or caused to be made, and is now making and causing to be made *and threatens and intends to continue to make or cause to be made, guns and gun-carriages containing in manner and form* the inventions covered and secured by said letters patent, and that the inventions covered and secured by said letters patent are capable of being conjointly used and have been and are

now being so conjointly used by the defendant; and that the defendant is an inhabitant of the District of Columbia, and, though notified of his said infringement, has continued to make or cause to be made guns and gun-carriages in infringement of each and all of the said letters patent and in defiance of the rights of the complainant, and that the infringements complained of are of great and continuing injury to the complainant and are greatly interfering with the complainant's business of manufacturing and selling guns and gun-carriages embodying the inventions described and claimed in said letters patent and that the complainant has reason to fear that unless the defendant is restrained by writ of injunction issuing out of this Court, the defendant will continue to infringe said letters patent and will induce and lead others to infringe said letters patent and thereby will cause great and irreparable damage to the complainant's rights.

By stipulation *before the demurrer* (Rec., p. 10), defendant further conceded that the Government of the United States of America and the Ordnance Department of said Government have manufactured, and intend to continue the manufacture, for their use, field guns and carriages, made after the so-called "Model of 1902" referred to in the bill of complaint, the claim or claims of complainant being in no wise admitted, and that the defendant, William Crozier, is an officer in the United States Army and Chief of Ordnance of the United States Army and is the officer in the service of the United States who directs and is in charge of such manufacture of said field guns and carriages for the United States, and the complainant concedes that defendant is such officer, and that he has derived no pecuniary benefit from the unlawful acts set forth in the complaint.

Prayer for Relief.

The prayer for relief, as amended by stipulation, asks for a *permanent writ of injunction enjoining the defendant*, his agents or employees *from making or causing to be made any guns or gun-carriages* or other devices which *shall contain or employ the inventions or any of the inventions covered and secured by said letters patent* or any of them, and that the defendant be

decreed to pay the costs of the suit, and that the complainant have such other and further relief as the equity of the cause or the statutes of the United States may require and to the Court may seem just.

It thus appears that no damages or profits was sought by the bill in respect of anything done, and no injunction from using anything already made. The bill sought only to restrain future infringement.

POINT I.

The right of a patentee and his assigns under Letters Patent of the United States to make, use and vend the patented invention is exclusive of the Government of the United States as well as of all others, and any use of such invention unauthorized by the owner of the Letters Patent, whether done directly by the United States or indirectly through one of its officers, is a violation of that right.

Belknap vs. Schild, 161 U. S., 10.
Hollister vs. Benedict Mfg. Co., 113 U. S., 59.
James vs. Campbell, 104 U. S., 356.
Cammeyer vs. Newton, 94 U. S., 225, at 235.
U. S. vs. Burns, 12 Wall., 246.

POINT II.

The fact that the invasion of a plaintiff's property is done by a defendant while acting in his official capacity as an officer of the United States Government or of a State government does not of itself justify the wrong nor deprive plaintiff of the relief which otherwise the Court would grant.

In the following cases an officer of the United States Government or of a State government was enjoined from continuing official acts which constituted a violation of the plaintiff's rights :

Davis vs. Gray, 16 Wall., 203.
Osborn vs. United States Bank, 9 Wheat., 738.
Board of Liquidation vs. McComb, 92 U. S., 531, 541.
Allen vs. Baltimore & Ohio R. R., 114 U. S., 311.
Pennoyer vs. McConnaughy, 140 U. S., 1.
Howell vs. Miller, 91 Fed. Rep., 129 (C. C. A., 6th Circ.).
American School of Magnetic Healing vs. McAnnulty, 187 U. S., 94.

And

U. S. vs. Lee, 106 U. S., 196 ; and
Tindal vs. Wesley, 167 U. S., 204,

were actions of ejectment maintained against such officers in possession of land under government authority.

In *Poindexter vs. Greenhow*, 114 U. S., 270, jurisdiction was entertained of an action of detinue against a State tax collector who had, under an invalid statute, seized plaintiff's property.

In *Bates vs. Clarke*, 95 U. S., 204, judgment against Bates, a captain in the United States Army, in an action for damages for the wrongful seizure by him, under orders of his superior officers, of property belonging to the plaintiff was affirmed.

And judgments against such an officer personally were affirmed in

Teal vs. Felton, 12 Howard (U. S.), 284.
Little vs. Barreme, 2 Cranch, 169.
Elliott vs. Swarthout, 10 Peters, 137.

In *Osborn vs. United States Bank (supra)* an injunction was sought to restrain the auditor of the State of Ohio from proceeding against the directors of the United States Bank under a statute of that State. Chief Justice MARSHALL, overruling the defense interposed that the defendant was acting as an officer of the State and that therefore an injunction should not be issued against him, said (pp. 843, 842):

> "If the State of Ohio could have been made a party defendant, it can scarcely be denied that this would be a strong case for an injunction. The objection is, that, as the real party cannot be brought before the court, a suit cannot be sustained against the agents of that party; and cases have been cited to show that a court of chancery will not make a decree, unless all those who are substantially interested be made parties to the suit.
>
> "This is certainly true where it is in the power of the plaintiff to make them parties; but if the person who is the real principal, the person who is the true source of the mischief, by whose power, and for whose advantage, it is done, be himself above the law, be exempt from all judicial process, it would be subversive of the best established principles to say that the laws could not afford the same remedies against the agent employed in doing the wrong, which they would afford against him, could his principal be joined in the suit. It is admitted that the privilege of the principal is not communicated to the agent; for the appellants acknowledge that an action at law would lie against the agent, in which full compensation ought to be made for the injury. It being admitted, then, that the agent is not privileged by his connection with his principal, that he is responsible for his own act, to the full extent of the injury, why should not the preventive power of the court also be applied to him? Why may it not restrain him from the commission of a wrong, which it would punish him for committing? We put out of view the character of the principal as a sovereign State, because that is made a distinct point, and consider the question singly as respects the want of parties. Now, if the party before the court would be responsible for the whole injury, why may he not be restrained from its commission, if no other party can be brought before the court?"

In *United States vs. Lee* (*supra*) the action was brought by the owner of land to eject from the possession thereof

the defendants, Kaufman and Strong, who, as officers and agents of the United States, were using the land as a military station. The Attorney General of the United States, without submitting the rights of the Government to the jurisdiction of the Court, interposed the objection that the property was actually occupied by the United States; that the defendants had no personal interest in it, and that the Court had no jurisdiction over the subject of the controversy. The same objection was raised by the answers of the defendants. It was held, however, that the action was maintainable; that Strong and Kaufman could be sued individually as trespassers, and that being liable as trespassers, they could be turned out of their unlawful possession. The Court said (pp. 220, 221):

> "The defence stands here solely upon the absolute immunity from judicial inquiry of every one who *asserts* authority from the executive branch of the government, however clear it may be made that the executive possessed no such power. Not only no such power is given, but it is absolutely prohibited, both to the executive and the legislative, to deprive any one of life, liberty, or property without due process of law, or to take private property without just compensation."
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> * * * * * *
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> "No man in this country is so high that he is above the law. No officer of the law may set that law at defiance with impunity. All the officers of the government, from the highest to the lowest, are creatures of the law, and are bound to obey it.
>
> "It is the only supreme power in our system of government, and every man who by accepting office participates in its functions is only the more strongly bound to submit to that supremacy, and to observe the limitations which it imposes upon the exercise of the authority which it gives."
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> * * * * * * *
>
> "Shall it be said, in the face of all this, and of the acknowledged right of the judiciary to decide in proper cases, statutes which have been passed by both branches of Congress and approved by the President to be unconstitutional, that the courts cannot give a remedy when the citizen has been deprived of his property by force, his estate seized and converted to the use of the government without lawful authority, without process of law, and without compensation, because the President has ordered it and his officers are in possession?"

The principles applied in the cases above cited are applicable to the case at bar, and the fact that the defendant was infringing complainant's patent and appropriating complainant's property for the benefit of the United States Government and without any pecuniary profit to himself, and that the United States Government will lose the profit which might inure to it because of the defendant's wrong-doing if the defendant is enjoined as prayed for in the complaint, does not deprive a court of equity of its right and duty to enjoin a threatened wrong.

But it is claimed on behalf of the defendant that these principles of law and equity have in the decision of *Belknap vs. Schild* (161 U. S., 10), and *International Postal Supply Co. vs. Bruce* (194 U. S., 601), been declared inapplicable to such an infringement of letters patent by an officer of the United States as is admitted in this case.

It is submitted that *Belknap vs. Schild* and *International Postal Supply Co. vs. Bruce* do not sustain the defendant's contention, and that the facts and the prayer for relief in those cases are so materially different from the facts and the relief prayed for in the case at bar that the decisions therein are not pertinent.

So much reliance was placed by the defendant upon *Belknap vs. Schild* and *International Postal Supply Co. vs. Bruce*, that we shall consider both at some length :

Belknap vs. Schild.

Schild, the owner of letters patent covering an invention for caisson gates, sued Belknap and others, officers of the United States Government, setting forth that the defendants were making, using and intended to continue the making and using of caisson gates which involved the use of complainant's invention and infringed his patent, and prayed that defendants be decreed to account for and pay over to the plaintiff all such gains and profits as had accrued to them, and for an injunction, and the destruction or delivery up to the plaintiff of caission gates made by defendants and containing plaintiff's invention.

Pleas to the jurisdiction interposed by the defendants were overruled. The defendants' answer set forth that a cais-

son gate had been erected in the State of California, but only one; that said gate was made by the Union Iron Works for the Government; that after the installation of said gate, the defendants, as officers, servants and employees of the United States Government, and in no other way, had charge and custody thereof. The answer contained the following:

> "Defendants deny that they intend to continue to infringe upon said letters patent or to use either unlawfully or otherwise the said invention, and deny that the complainant will be subject to great or irreparable or any injury unless he shall obtain the relief sought in this action."

The interlocutory decree enjoined the defendants from making or using caisson gates embracing the invention, and directed the usual reference to a Master. The Master reported that but one gate had been made, and that the profits derived therefrom were $40,000. The final decree awarded the complainant $40,000 and costs.

It must be noticed that *the complainant alleged that the defendants intended to continue the making of infringing devices, and that this allegation was specifically denied in the answer. A careful examination of the record shows that no evidence whatever was submitted by the complainant of intent, or threats on the part of the defendants, or any of them, to continue the manufacture of caisson gates infringing complainant's patents.*

The Supreme Court held that an injunction should not have been granted against the use by the defendants in their official capacity of the caisson gate which the Government then owned and was using in conjunction with the other fixtures in its Navy Yard, that no injunction could be granted against the United States, that the defendant was not personally liable upon a contract made by him in the line of his duty, and was not liable for the profits which accrued, not to himself, but to the Government, by reason of any acts which he did in infringement of complainant's patent rights. But the principle of law upon which the complainant now here rests was distinctly recognized and affirmed by the Supreme Court in the following language:

> "But the exemption of the United States from judicial process does not protect their officers and agents,

civil and military, in time of peace, from being personally liable to an action of tort by a private person whose rights of property they have wrongfully invaded or injured even by authority of the United States" (citing authorities).

"Such officers or agents, although acting under order of the United States, are therefore personally liable to be sued for their own infringement of a patent" (citing authorities)."

The Court then, speaking of the exception to the application of this rule, within which exception defendant seeks to bring this case, said:

> "But no injunction can be issued against officers of a State, to restrain or control the use of property *already in the possession of the State or money in its treasury when the suit is commenced; or to compel the state to perform its obligations; or where the state has otherwise such an interest in the object of the suit as to be a necessary party.*" (Italics ours.)

Then stating that there was no evidence that the defendants themselves had made any profits whatever, and that the Master found that no damages in addition to such gains and profits had been proved, the Supreme Court said:

> The necessary result is that even if the validity of the patent and its infringement by the defendants are assumed, the plaintiff, *upon this record,* is not entitled to an injunction, to profits or to damages." (Italics ours.)

"*Upon this record,*" *a record which contained not a scintilla of evidence of intent on the part of the defendant to continue the manufacture* of devices infringing complainant's patent—the plaintiff, it was held, was not entitled to an injunction.

In the case at bar the defendant admitted that he intends to continue the wrongful manufacture of the guns and gun carriages, and the infringement of complainant's patents.

The bill so alleges (Rec., p. 8) and the demurrer admits it. The stipulation also admits that the government intends "to continue the manufacture", and that defendant is the officer "who directs and is in charge of such manufacture" (Rec., p. 11).

In the case at bar the amended bill does not seek to restrain or control the use of property already in possession of the government, but only the future manufacture, and not the future use. And the bill as amended does not seek to recover profits or damages, but only the costs of suit which are always in the court's discretion (See Bill, clauses XXXII. and XXXIII., Rec., p. 9 and Amendments, p. 11).

International Postal Supply Co. vs. Bruce.

In this case, Bruce, in the capacity of United States Post Master at Syracuse, New York, had rented for a period of two years for the use of a Post Office Department two stamp cancelling machines. The complainant sued Bruce and the lessors of the machine for infringement of his patents, claiming that the use of the machine was such infringement. Bruce alone appeared and put in a plea to the jurisdiction. At circuit the bill was dismissed. The Circuit Court of Appeals asked the Supreme Court for instructions upon the question whether upon the foregoing facts the United States Circuit Court had the power to grant an injunction against the defendant restraining the use of the machines. The Court, by Justice HOLMES (Justices HARLAN and PECKHAM dissenting), held that the Circuit Court did not have the power to restrain Bruce from the use of those machines, saying:

> "In the case at bar, the United States is not the owner of the machines, it is true, but it is a lessee in possession, for a term which has not expired. It has a property right, a right *in rem*, in the machines, which, though less extensive than absolute ownership has the same incident of a right to use them while it lasts. This right cannot be interfered with behind its back, and as it cannot be made a party, this suit, like that of Belknap vs. Schild, must fail. The answer to the question certified must be no. *Whether or not a renewal of the lease could be enjoined is not before us.*" (Italics ours.)

We submit that the decision in *Belknap vs. Schild*, goes no further than to hold that when the United States has become the owner of a specific piece of property the use of which is an unauthorized use of plaintiff's patented invention and there-

fore an infringement of the patent, the use of that particular property by the Government cannot be enjoined.

We think, also, that all that was decided in *International Postal Supply Co. vs. Bruce* was that the doctrine of *Belknap vs. Schild* applied not only to a case where the United States was the owner of the specific property the use of which constituted an infringement, but also to a case in which it was sought, during the term of an existing lease made on behalf of the United States, to restrain an officer of the Government from using the property covered by the lease and in which, by virtue of the lease, the United States had acquired a right *in rem.*

In the case at bar it is not sought to enjoin the use by defendant of any property to which the United States has a title or in which it has acquired any right *in rem. The United States had no title or right in rem in guns or gun-carriages not yet in existence.*

The plaintiff here seeks only to enjoin a threatened and intended infringement, consisting of the doing of a specified act which will result in the creation of property in which, when created, the United States will have a title and the subsequent use of which by the United States will be a further and continuing infringement of complainant's patents and one for which the complainant has no redress.

Mr. Justice HARLAN in his dissenting opinion, in which Mr. Justice PECKHAM concurred, said of the prevailing opinion in *International Postal Supply Co. vs. Bruce* (at page 615):

> " Under the present decision, the Post Office De-
> " partment not only may use, without compensation,
> " the particular postmarking machines in question here,
> " but it can lease others and continue its violation of
> " the patentee's rights at its discretion, thereby making
> " the exclusive use granted by the patent of no value
> " whatever."

As if the majority of the Court wished to render their prevailing opinion absolutely incapable of such a construction as that which Mr. Justice HARLAN put upon it, the decision ends with the following sentence:

> " Whether or not a renewal of the lease could be enjoined is not before us."

But whatever the purpose of the majority of the Supreme Court in adding that sentence to their decision, it at any rate made clear the fact that the Court did not decide that the plaintiff therein might not have enjoined the defendant from making a new lease of the infringing machines. We believe that it is a fair inference from the language of the Court that the principles applied in answering the question certified to them were not pertinent to the question of the right of the plaintiff to enjoin the defendant from such conduct, as Postmaster, as would result in a renewal of the lease and a further infringement of the patent.

POINT III.

The Courts have frequently entertained jurisdiction of actions brought to enjoin officers of the United States from infringement of Letters Patent.

The case of *Dashiell vs. Grosvenor*, 162 U. S., 425, is of peculiar interest in this connection. Grosvenor, an ensign in the United States Navy, obtained a patent for certain improvements in breech-loading cannon, and in his complaint alleged that he had showed this patented device to an admiral of the Navy and given him drawings; that the admiral caused experiments to be made by defendant Dashiell, who was a naval officer connected with the Bureau of Ordinance, and that the defendant, conspiring with said admiral to defraud the plaintiff, obtained a patent upon an alleged device which the plaintiff claimed infringed his patent. The Circuit Court upheld the plaintiff's patent, found infringement by defendant, and ordered an injunction against the continuance thereof although the allegations of fraud and conspiracy where wholly unproved.

The Circuit Court of Appeals reversed the Circuit Court on two grounds: (first) because it was of the opinion that an injunction would prohibit the officers in charge of the navy yard

from manufacturing guns for use upon the war vessels of the United States, and (second) because the allegations of fraud the Court held were material to be proved and were not sustained. This Court did not pass upon any of the questions discussed in the Court of Appeals, but affirmed the decision of the Circuit Court of Appeals dismissing the bill, upon the ground that the Dashiell device did not infringe the plaintiff's patent. Judge COXE in his opinion in *International Postal Supply Co. vs. Bruce*, reported at 114 Fed. Rep., 509, commented upon the action of this Court in thus entertaining jurisdiction, although it had but a few months before decided the case of *Belknap vs. Schild*. Judge COXE said (page 515):

> "As infringement was specifically found by the circuit court, and as this finding was not criticised in the court of appeals, it may be argued with some plausibility that the supreme court would not have deemed it necessary to examine and decide the difficult question of infringement if satisfied with the reasoning of the court of appeals upon the jurisdictional question. The Belknap Case had just been decided, the subject was fresh in the minds of the justices, and there is some force in the suggestion that they would not have gone so far afield to find another reason for sustaining the judgment if clearly convinced that the reason assigned by the court of appeals was a valid one. In other words, may it not, perhaps, be inferred that the supreme court intends to confine the ruling in the Belknap Case to situations precisely similar to the one there shown, where the decree reversed contemplated the destruction of property of the government and the serious interference with the work of the navy of the United States?"

That this Court did not consider *Belknap vs. Schild* as controlling upon the questions raised in *Dashiell vs. Grosvenor* is evident by the last sentence of its opinion, as follows:

> "This conclusion also renders it unnecessary for us "to consider the questions discussed by the Court of "Appeals in its opinion, in respect to one of which see "*Belknap v. Schild*, 161 U. S., 10; but, for reasons "stated, its decree dismissing the appeal is affirmed."

The Court of Appeals discussed the question of jurisdiction (deciding that the action would not lie) and of fraud. *Belknap vs. Schild*, of course, decided nothing on the question of fraud, but if it decided all of the jurisdictional questions presented in *Dashiell vs. Grosvenor* it would have been controlling authority for the dismissal of the action by the Supreme Court without regard to the merits and without obliging that Court to examine the intricate question of infringement. *Belknap vs. Schild* and *Dashiell vs. Grosvenor* were similar, in that in both it was sought to enjoin officers of the United States *from using property then owned by the Government*, and if *Dashiell vs. Grosvenor* could have been dissected, that part of the complaint seeking this relief might well have been dismissed upon the authority of *Belknap vs. Schild;* but the record of *Dashiell vs. Grosvenor* brought up a further question, viz., can an officer of the United States be *enjoined from making*, in the arsenals of the United States, cannons which in their construction and operation infringe plaintiff's patents? Upon that question *Belknap vs. Schild* was not an authority, and, rather than decide the question, the Supreme Court considered and decided the case upon the mechanical questions.

This Court entertained jurisdiction of

Cammeyer vs. Newton, 94 U. S., 225 ;
James vs. Campbell, 104 U. S., 356 ; and
Hollister vs. Mfg. Co., 113 U. S., 59,

though in each of these cases the defendants, sued in equity for an infringement of patents, interposed as a defense that their use of the patented improvements was done under the direction of the United States Government, and in each case the Supreme Court considered, but did not decide, the jurisdictional question.

In *Cammeyer vs. Newton*, the Court said (p. 234) :

> " Public employment is no defence to the employe for having converted the private property of another to the public use without his consent and without just compensation. Private property, the Constitution provides, shall not be taken for public use without just compensation ; and it is clear that that provision is as applicable to the government as to individuals, except in cases of extreme necessity in time of war and of im-

mediate and impending public danger *(Mitchel v. Harmony)*."

* * * * * *

"Agents of the public have no more right to take such private property than other individuals under that provision, as it contains no exception warranting any such invasion of the private rights of individuals. Conclusive support to that proposition is found in a recent decision of this court, in which it is held that the government cannot, after the patent is issued, make use of the improvement any more than a private individual, without license of the inventor or making him compensation. *United States v. Burns*, 12 Wall., 246.

"Suppose that is so, then it follows that the decision in the case before the court must depend upon the question of infringement."

The Court then proceeds to set forth its opinion that the plaintiff's patent was not infringed.

And in the consideration of this question, in *James vs. Campbell*, the Court said (p. 358):

"The Constitution gives to Congress power 'to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries,' which could not be effected if the government had a reserved right to publish such writings or to use such inventions without the consent of the owner. Many inventions relate to subjects which can only be properly used by the government, such as explosive shells, rams, and submarine batteries to be attached to armed vessels. If it could use such inventions without compensation, the investors could get no return at all for their discoveries and experiments. * * * The United States has no such prerogative as that which is claimed by the sovereigns of England, by which it can reserve to itself, either expressly or by implication, a superior dominion and use in that which it grants by letters-patent to those who entitle themselves to such grants. The government of the United States, as well as the citizen, is subject to the Constitution; and when it grants a patent the grantee is entitled to it as a matter of right, and does not receive it, as was originally supposed to be the case in England, as a matter of grace and favor."

But the decision of the Court in this case, as in *Hollister vs. Mfg. Co.*, is based upon the ground that the patent sued upon was void.

The foregoing argument substantially follows the reasoning of the court below. See Opinion of Mr. Justice Robb (R., p. 15).

POINT IV.

The argument that an injunction against the manufacture by defendant of guns and gun-carriages infringing the complainant's patent would in effect be an injunction against the free use by the United States of the material at its arsenals used in the manufacture of guns and gun-carriages, and that therefore the case is brought within the decision of Belknap vs. Schild and International Postal Supply Co. vs. Bruce, is untenable.

It was urged by defendant that although the injunction prayed for would simply enjoin him from making guns and gun-carriages involving in their construction and operation the plaintiff's patented inventions, it would, none the less, be an injunction against the use by the government of the property of the government, *i. e.*, the raw material which is used at the arsenals in the manufacture of such guns and gun-carriages; and it is said that if the government cannot be enjoined indirectly from the use of guns and gun-carriages which it owns, it cannot be indirectly enjoined from using this material which it owns, in any manner it may desire, even though such use might constitute or result in an infringement of plaintiff's patents.

We have already referred to the fact that the foundation of

the decision in Belknap vs. Schild was that the injunction prayed for, if granted, would have resulted in enjoining the United States, indirectly, from the use, in conjunction with other fixtures of its Navy Yard, of the caisson-gate which it owned. In that case the Court emphasized and recognized the distinction between property in the physical substance which is the fruit of the discovery and the right in the discovery itself, and said: "Title in the thing manufactured does not "give the right to use the patented invention any more than "does the patent right in the invention give title in the thing "made in violation of the patent." The use of the caisson-gate in any manner constituted an infringement of Schild's patent. The injunction prayed for in those cases would necessarily have enjoined any use of the caisson-gate or of the stamp cancelling machines. In the case at bar the injunction if granted will not, so far as it appears in the record of this case, affect in any wise the use of any property now owned by the Government.

In *Howell vs. Miller* (C. C. A., 6th Circuit), 91 Fed. Rep., 129, Howell had in 1883 compiled, edited and published with annotations the statutes of the State of Michigan, and copyrighted the published volumes, which by legislative enactment became the authorized published statutes. Some years later, under an Act providing that the general laws of Michigan should be again collected and compiled, the defendant Miller was selected by the legislature as such compiler. His labors were completed to the extent that his manuscript was finished and in the hands of the other defendants (who were the Secretary of State, the State Treasurer, the Commissioner of the State Land Office, the State Printer and certain officers of the state printing company) and they, under legislative direction were about to print, bind and publish the same. The plaintiff sought to enjoin the defendants from proceeding with the printing, binding, publication and sale of Miller's compilation, on the ground that such acts would be an infringement of his copyright. The defendants claimed that the decision in Belknap vs. Schild applied, and that the action could not be maintained; for it was argued that the suit was in effect one against the State; as the defendants had personally no pecuniary interest in the printing and publication of the manuscript, and the original manuscript constituting

Miller's compilation was the property of the State, so that if the defendants were enjoined as prayed for, the State would be indirectly enjoined from the use of its property. The argument was held to be untenable, Mr. Justice HARLAN, in an opinion concurred in by Judges TAFT and CLARK, saying (p. 136):

> "It may be true—indeed, we think it is true—that the manuscript of the Miller compilation is the property of the state; and the mere preparation of such manuscript and the possession of it by the state do not constitute a legal wrong to the plaintiff. And if this suit had as its only object a decree disturbing the state's possession of that manuscript, and ordering the surrender of it to the plaintiff, or its destruction, so that it could not be used, we should say, according to the rule announced in Belknap v. Schild, that such a suit would be one against the state, and could not be entertained. But such is not the present case. Its principal object is to prevent the defendants from distributing or selling the Miller compilation so far as it has been printed, and from printing the part still in manuscript and in the hands of the public printer to be printed and delivered to the proper officers of the state for distribution and sale. Although the plaintiff may not, in law, have any ground for complaint because the state officers have that manuscript in their possession, he may, nevertheless, invoke the aid of a court of equity to restrain the defendants from printing or publishing such manuscript, if the printing or publication thereof would infringe his rights under the laws of the United States. If the plaintiff has a valid copyright, he is entitled under the constitution and laws of the United States, to the sole liberty of printing, reprinting, publishing and vending the books copyrighted by him (Rev. St. U. S., § 4952). * * * Those officers cannot interpose their official character, or the orders of the state, against such relief as may properly be granted.
>
> "It may here be observed that if, before the caisson gate in question in Schild's Case had been constructed, the patentee had applied for the relief necessary to prevent such construction, a different case would have been presented to the Supreme Court. In the present case, it is alleged, the defendants have printed, and are about to have bound and distributed, part of Miller's compilation, and are about to print, publish, bind, and distribute the balance of the manuscript of such compilation. It would be extraordinary if a court of equity

> could not stay the hands of the defendants, if what they are about to do will be in violation of the plaintiff's rights as secured by the laws of the United States, and has no other sanction than a legislative enactment which must yield to the legislation of congress enacted under the authority of the constitution of the United States. It cannot be admitted that the law is otherwise in this country, however it may be in countries whose governments are not based upon a written constitution, and whose legislative power is paramount."

In Howell vs. Miller, the use by the defendants of the property which was before the Court, viz., the manuscript of Miller's compilation, was not an infringement unless used in the specific manner complained of, viz., the printing, publication and vending thereof. It was that specific act of infringement, consisting of the use in a specified way of property rightly in possession of the State government, that was sought to be enjoined and which the Court held could be enjoined; and so in the case at bar, complainant has been careful not to complain that the defendant is using property which the government owns in violation of complainant's rights, but it complains of a threatened and intended act which will be an infringement of the complainant's patents.

The alleged raw material rightfully owned by the Government may be likened to the manuscript in the possession of the State of Michigan in the Howell case. Let us suppose that instead of the raw material the defendant herein should urge that the drawings, duplicates of those attached to the complaint herein, which show the improvements covered by the complainant's patents, were rightfully in the possession of the Government, and that if this injunction is granted the Government will be enjoined, indirectly, from the use of these drawings which it owns, the argument then, it is submitted, would be analogous to that in the Howell case. The complainant here finds no fault in this action with the possession or title of the United States in those drawings. It does not seek to disturb the Government's possession of the drawings nor the surrendering thereof to the complainant, or the destruction thereof, so that the drawings could in no way be used. If that relief was prayed for, or if those drawings were the subject-matter of the suit, in the sense that the caisson-gate may be said to have been the subject-matter of the suit

in Belknap vs. Schild, or the two stamp-cancelling machines the subject-matter of the suit in International Postal Supply Company vs. Bruce, the doctrine of those cases might be relevant.

The drawings referred to may be used in many ways so as not to violate the complainant's patents, and all the raw material in the arsenals (assuming that there is some suitable for use in the manufacture sought to be enjoined) may be used in numerous ways beneficial to the government and in no way injurious to the complainant's rights. But the caisson-gate in *Belknap vs. Schild*, and the stamp-cancelling machines in *International Postal Supply Co. vs. Bruce*, could be used in no manner by the government officers without infringing the patents therein set forth.

V.

The complainant had no remedy at law for the infringement by defendant of its patents.

It was intimated in *James vs. Campbell*, 104 U. S., 356, and *Hollister vs. Manufacturing Co.*, 113 U. S., 59, that an action would lie within the jurisdiction of the Court of Claims to recover from the Government upon an implied promise to compensate a patentee for the use by the Government, or one of its officers, of his patented invention, but it was later settled that such a suit could not be maintained either in the Court of Claims (*Shillinger vs. United States*, 155 U. S., 163), or in the Circuit Court of the United States (Hill vs. United States, 149 U. S., 593).

If the officers of the United States have since the Act approved June 25, 1910, used or shall hereafter use complainants patented design it is possible or probable that complainant may receive reasonable compensation under that Act in the Court of Claims, but that possibility does not operate to defeat complainant's right to the equitable relief sought when the bill was filed.

The general rule is that where jurisdiction in equity has

become established a subsequent statute creating a remedy at law or removing the obstacles at law upon the existence of which the equity jurisdiction was originally founded does not oust equity of that jurisdiction, unless the statute affirmatively discloses the legislative intent to make the legal remedy exclusive.

Cyclop. of Law & Proc. vol. 16, p. 34 where numerous cases are cited to support that proposition.

White vs. Meday, 2 Edw. Ch. (N. Y.) 486.
N. Y. Ins. Co. vs. Roulet, 24 Wend. 504–514.
Mayne vs. Griswold, 2 Sandf. (Sup. Ct. N. Y.) 463.
Sailly vs. Elmore, 2 Paige, 497.
Labadie vs. Hewitt, 85 Ill., 341.
McNab vs. Heald, 41 Ill., 326.
Crass vs. R. R., 96 Ala., 447.
Hardeman vs. Batterlea, 53 Ga., 36.

We cannot discover in the Act of June 25, 1910, any evidence of an intent to oust equity when its jurisdiction had attached because there is no expression, and the act is not retroactive.

The decree of the Court of Appeals should be affirmed, with costs.

WM. A. JENNER,
Of Counsel for Respondent.

In the Supreme Court of the United States.

OCTOBER TERM, 1908.

WILLIAM CROZIER, PETITIONER, *v.* FRIED. KRUPP AKTIENGESELLSCHAFT, respondent.	No. ——.

PETITION FOR A WRIT OF CERTIORARI TO THE COURT OF APPEALS OF THE DISTRICT OF COLUMBIA.

The Solicitor-General, on behalf of the petitioner, respectfully prays the court to issue a writ of certiorari to review the judgment of the Court of Appeals in the above-entitled case.

This application is made with the concurrence of the respondent.

The case is of the utmost public gravity and importance. It affects most vitally the operations of the Government itself in the maintenance of its army and in the manufacture of its ordnance, and is of no less importance to that great class of the public composed of the patentees and owners of valuable devices and improvements in the patent world. The present decision of the Court of Appeals changes the rulings of the law hitherto established, unsettles both the protection of the

Government and its immunity from suit, and leaves uncertain the right of the patentees as to the character of relief and redress they enjoy under the law for the protection of their property.

The case is, briefly, that the Fried. Krupp Company, a corporation organized under the laws of the German Empire, brought suit in the Supreme Court of the District of Columbia to restrain William Crozier, an officer of the United States Army, from the manufacture of certain field guns and carriages, claimed to infringe letters patent Nos. 722724, 722725, and 791347, which the German corporation owned. The bill alleged that Crozier was manufacturing or superintending the manufacture of these pieces of ordnance at the arsenals in Bridgeport, Conn., Rock Island, Ill., and Watervliet, N. Y.

A stipulation was filed to the effect that no pecuniary benefit had accrued to Crozier from the acts sought to be restrained, and the complainant waived any claim against him for damages or account of profits. It was also stipulated that the Government of the United States, through its ordnance department, had manufactured, was manufacturing, and intended to continue the manufacture and use, or cause to be manufactured for its use, field guns and carriages made after its so-called model of 1902 referred to in the bill of complaint, but the claim or claims of complainant as to the infringement was not admitted in anywise. It was likewise admitted

by stipulation on the record that Crozier was an officer in the United States Army, and Chief of Ordnance, and was the particular officer who directed and was in charge of the manufacture of these guns for the United States.

To the bill, with stipulation, the defendant, Crozier, demurred, on the ground that it was virtually a suit against the United States, and that the object of the suit was to enjoin the manufacture by the United States of field guns and carriages after its own model, by the indirect method of enjoining the officer in the United States Army who was in charge of this particular work.

The Supreme Court of the District of Columbia sustained the demurrer and dismissed the bill. On appeal from this decree the Court of Appeals of the District of Columbia, in an opinion by Mr. Justice Robb, reversed the lower court. (36 Washington Law Rep., 646). Its opinion is printed as an appendix hereto.

Your petitioner respectfully represents that the Court of Appeals committed grave error in this case. The effect of its decision, if final, is to destroy the principle that the Government is not to be sued save where it has yielded its sovereignty to suit, and to create an authority for the institution of suit to enjoin the Government, indirectly through the human hand by which it acts in a particular case, wherever a litigant conceives himself to be aggrieved in his relations with the Government.

This court has so often had before it the question of suit against the Government that its attention need only be directed to the recent cases of *Belknap* v. *Schild*, 161 U. S., 10, and *International Postal Supply Co.* v. *Bruce*, 194 U. S., 601. These cases, it is submitted, are indistinguishable from the case at bar.

This suit is purely and unreservedly against the United States. Your petitioner has no interest whatever in the outcome of the suit. He has no interest in the manufacture of the guns. The respondent admits this, and asks for no damages or account for profits from petitioner. And why? Solely because the United States is the real party to the suit, against whom the process of the court is prayed. The object of the suit is to stop the manufacture of the field guns and carriages. But whose manufacture? Who is to be stopped? Not the petitioner, for he has no army and no private need for field guns, nor any individual concern whether they be manufactured or not. It was stipulated that it is the United States which is manufacturing and which means to continue to manufacture the field guns, and it is this manufacture by the United States which it is sought to have enjoined. Hence, the United States is the real party to be affected by the decree to be entered in the case, and accordingly the United States is necessarily and essentially the real party that is proceeded against in the suit. As this court said in the case of *Belknap* v. *Schild*, *supra*, page 25:

> * * * And therefore the United States were an indispensable party to enable the court, according to the rules which govern its procedure, to grant the relief sought; and the suit could not be maintained without violating the principles affirmed in the long series of decisions of this court, above cited.

The property element which was referred to in the case of *Belknap* v. *Schild* and in the case of the *International Postal Supply Co.* v. *Bruce* is also present in a large sense in the case at bar. The raw materials and the crude products which are in the process of being bound and assembled in the complete design are the properties of the United States. The physical things, the subject of the alleged infringement, whether already matured in the process of construction in the finished model or as yet *in fieri*, are solely the properties of the United States. The model of 1902, according to which the Government is manufacturing these field guns, is the Government's own model and its sole property. The arsenals at Watervliet and Rock Island and the workshop at Bridgeport are the Government's possessions. More especially, the very employment and enterprise of the Government to manufacture ordnance as a necessary means to perform its sovereign duty in maintaining an army is exclusively the Government's right of property and is especially entitled to the protection of the court. All these are the properties which this suit inevitably proceeds against and

wishes to strike down, under the pretention that it is proceeding solely against an individual officer of the Government, who, on the respondent's own admission, has no possible concern in the case. It is manifest that if the injunction be issued against the petitioner, who is the present Chief of Ordnance, and he be succeeded by another, a similar writ could be issued against him, and another injunction against his successor, and so on, *toties quoties*, so that the Government itself would be most effectually enjoined.

In *Dashiell* v. *Grosvenor* (66 Fed., 334) suit had been brought in the Circuit Court for the District of Maryland to restrain the officer in charge of the Washington Navy-Yard "from the further making of certain cannon claimed to infringe the patent of the complainant." In reversing the decree of the Circuit Court, which was against the officer, and directing the dismissal of the bill, the Circuit Court of Appeals for the Fourth Circuit said (pp. 336–337):

> We think that the pleadings and proofs of this cause clearly demonstrate that this is, in substance, if not in form, a proceeding, the object of which is to prevent the making of breech-loading cannon of a certain character, and by a particular device, at the navy-yard of the United States in the city of Washington, District of Columbia, by those officially in charge thereof, representing the Government of the United States; and, also, it is clearly shown that the injunc-

tion granted by the court below will in effect prohibit the officers so in charge of said navy-yard from manufacturing such cannon for use on the vessels of war of the United States, as provided for under the provisions of existing legislation, the reason for such prohibition being that, in so making breech-loading cannon, said officers are infringing on the rights granted to Samuel Seabury by letters patent No. 425584, dated April 15, 1890.

Should a suit instituted under such circumstances and with such intention be sustained? Do not public policy and the rights of the Government in its sovereign capacity require that parties feeling themselves aggrieved on account of matters relating to such transactions as we have alluded to—to such circumstances as are set forth by the evidence taken and filed in this case—should be compelled to seek relief and compensation, if so entitled, by proceeding in another manner, and before another tribunal, and that the courts should not use their writs of injunction so as to retard and embarrass the Government in the prosecution of work, the product of which is absolutely essential to the public welfare and the national defense? We think that the consent of the owner of a patented device, while it is desirable, and should be obtained, if it conveniently and reasonably can, is not positively necessary in order to enable the United States to use the invention described in the letters patent, particularly in cases where it relates to the

> mode of construction of implements of warfare required by the Government, and indispensable to the armament of its vessels of war. Such right to take and use the property of the citizen for Government purposes is indisputable, an inborn element of sovereign power essential to the independence and perpetuity of the nation.

Again (pages 338–9):

> * * * It is true that the United States is not made a party to this action, but it is also true that it is disclosed by the pleadings and evidence that the cannon, the further making of which it is the object of this suit to enjoin, are now being manufactured at the navy-yard of the United States at Washington, by the employees of that establishment, under the direction of the Chief of Ordnance of the Navy Department; and it is apparent that such an observance of the injunction granted by the court below as should be shown by those to whom it is directed, and as must necessarily be demanded by the court while it is in force and effect, will close said navy-yard, so far, at least, as the manufacture of the breech-loading cannon is concerned, and thereby prevent the enforcement of certain laws of the United States, the consummation of which is of national importance.

This case, on appeal to this court (*Dashiell* v. *Grosvenor*, 162 U. S., 425), was decided on the merits, the court holding that there was no

infringement of the complainant's patent, which conclusion, it said in its opinion, rendered it unnecessary to consider the question discussed by the Circuit Court of Appeals; but as to one of these questions—the one above discussed—the reader was referred to *Belknap* v. *Schild*, which, it submitted, supports the doctrine contended for by your petitioner.

Finally, your petitioner represents—

First. That this case is one falling well within that class of cases to which this court may issue its writ of certiorari, because it is of the widest public gravity and importance, affecting as well the vital operations of the Government as the rights of patentees and the owners of patent rights.

Secondly. The case further presents the need for review by this court in the interest of uniformity of decision. In the case of *Dashiell* v. *Grosvenor*, *supra*, the Circuit Court of Appeals decided that no injunction would lie in a case similar to the case at bar, where the object was to enjoin the future manufacture of ordnance by the Government. The Court of Appeals of the District of Columbia has decided in favor of such jurisdiction. While it is true that the latter court is not a court of the federal system established under the third article of the Constitution, yet it is a court of the United States, with appellate jurisdiction over the Supreme Court of the District of Columbia, which, in addition to a broad jurisdiction peculiar to itself, has the

power and jurisdiction of Circuit and District Courts of the United States. There is, therefore, practically the same need of review in this case as there would be in the case of a conflict of decision between two Circuit Courts of Appeals.

Thirdly. The effect of the present decision is to require the parties to go to proof on the facts. This will necessitate the taking of testimony in many places in this country and in Europe, and will entail great expense both in this connection and in the matter of securing drawings and the testimony of patent experts, and other exigencies of patent litigation. If the decision of the Court of Appeals be erroneous and the case reaches this court on general appeal, the case may be dismissed for want of jurisdiction, and both parties will have incurred a tremendous expense, without any result except the determination of the jurisdictional question, which can be had without such expense by the review of this case on certiorari.

It is true the decision of the Court of Appeals is not a final judgment in the strict sense that nothing remains to be done by the trial court but to execute its judgment. The case is remanded for further proceedings. But in a large sense, and in the almost total sense of this case, the decision is final. It settles the question of jurisdiction. What remains to be done is merely to try out the fact of the infringement. The right of the United States as to immunity from suit has been wholly disposed of, and the jurisdiction of the court to

entertain a suit to enjoin the Government, through its proper officer, has been decided finally and completely. The case therefore falls within that exception which this court has made, where the decision sought to be reviewed is in strict sense interlocutory, but substantially and potentially final. Then the writ may be allowed, because on the record the case is practically closed against the defeated party.

In *Baker* v. *Cummings* (181 U. S., 117), this court allowed a writ of certiorari to the Court of Appeals of the District of Columbia for this reason, although the judgment of the Court of Appeals sought to be reviewed was not final, but, as in the case at bar, remanded the case for further proceedings. Likewise, this court allowed a writ of certiorari in *Harriman* v. *Northern Security Company* (197 U. S., 244), where it was sought to review the judgment of the Circuit Court of Appeals, which reversed the order below allowing the injunction. The judgment sought to be reviewed was not final in the mathematical sense, but it so substantially disposed of the important question in the case that it was proper for this court to entertain its review at that stage by certiorari.

Your petitioner therefore prays that a writ of certiorari may be issued to review the judgment of the Court of Appeals of the District of Columbia in this case.

HENRY M. HOYT,
Solicitor-General.

JANUARY, 1909.

APPENDIX.

OPINION OF THE COURT OF APPEALS OF THE DISTRICT OF COLUMBIA IN THE CASE OF FRIED. KRUPP AKTIENGESELLSCHAFT, APPELLANT, v. WILLIAM CROZIER (36 Washington Law Rep., 646).

"This appeal brings into review a decree of the Supreme Court of the District dismissing appellant's bill of complaint.

"Appellant, a corporation organized under the laws of the German Empire, seeks to enjoin William Crozier, Chief of Ordnance of the United States Army, his agents and employees, from manufacturing field guns and gun carriages in infringement of certain letters patent of the United States regularly issued to Fried. Krupp, of Germany, two on March 17, 1903, and one on May 30, 1905, numbered 722724, 722725 and 791347, respectively, which patents were subsequently assigned to appellant and the assignments duly recorded in the Patent Office of the United States.

"It was stipulated below that no pecuniary benefit has accrued to the defendant Crozier by reason of the acts set forth in the bill, and plaintiff waives any claim for accounting or damages. It was further stipulated that the Government of the United States and its ordnance department have manufactured, and intend to continue the

manufacture and use, or cause to be manufactured for the use of the Government, field guns and carriages made after the models referred to in the bill ('the claim or claims of complainant being in no wise admitted'); and that the defendant Crozier is the officer in the service of the United States who directs and is in charge of such manufacture of said field guns and carriages for the United States.

"To the bill as thus amended by stipulation the defendant demurred, the ground of the demurrer being the contention that the suit is in effect against the United States. This appeal followed the decree of the court sustaining the defendant's demurrer.

"That the United States, its officers and agents, have no right, title, or interest in the patents involved in this suit is not denied. That these patents are the exclusive property of appellant is not denied, and, indeed, could not be in view of *James* v. *Campbell*, 104 U. S., 356, and *Belknap* v. *Schild*, 161 U. S., 10. That the Patent Office of the United States issued these patents in pursuance of law and therein purported to grant to the patentee, his heirs and assigns, for a stated period "the exclusive right to make, use, and vend the invention or discovery throughout the United States" is admitted; but it is contended in behalf of appellee that because of this inexcusable encroachment upon the rights of appellant inures to the benefit of the Government the courts are

powerless to stay the hands of the wrongdoer. If such be the case, one department of the Government may without warrant or authority, and in direct violation of the rights of third parties, nullify the lawful acts of another department of the Government.

"We can not believe that in the eyes of the law it is any less obnoxious for an officer of the Government to appropriate property for the benefit of the Government, under the conditions surrounding this case, than it would be to appropriate it for his own personal benefit. Nor do we find any thing inconsistent with this proposition in either *Belknap* v. *Schild*, *supra*, or *International Postal Supply Co.* v. *Bruce*, 194 U. S., 601.

"In *Belknap* v. *Schild* it was sought to restrain the Commandant of the United States Navy-Yard at Mare Island, California, and certain of his subordinates, from using a caisson gate which had been theretofore installed at that place in violation of plaintiff's patent and also to have said gate destroyed or delivered to plaintiff. In denying the relief sought the court said:

"'The caisson gate was a part of the dry dock in a navy-yard of the United States, was constructed and put in place by the United States, and was the property of the United States, and held and used by the United States for the public benefit. If the gate was made in infringement of the plaintiff's patent, that did not prevent the title in the gate from vesting in the United States. The

United States, then, had both the title and the possession of the property. The United States could not hold it or use it, except through officers and agents.

"'Although this suit was not brought against the United States by name, but against their officers and agents only, nevertheless, so far as the bill prayed for an injunction, and for the destruction of the gate in question, the defendants had no individual interest in the controversy; the entire interest adverse to the plaintiff was the interest of the United States in property of which the United States had both the title and the possession; the United States were the real party against whom alone in fact the relief was asked, and against whom the decree would effectively operate; the plaintiff sought to control the defendants in their official capacity, and in the exercise of their official functions, as representatives and agents of the United States, and thereby to defeat the use by the United States of property owned and used by the United States for the common defense and general welfare; and therefore the United States were an indispensable party to enable the court, according to the rules which govern its procedure, to grant the relief sought; and the suit could not be maintained without violating the principles affirmed in the long series of decisions of this court, above cited.'

"*International Postal Supply Co.* v. *Bruce* came before the court on a certificate for instruction,

from which it appeared that the defendant was postmaster of the United States post-office at Syracuse, N. Y., and that his subordinates were using two stamp-cancelling machines which infringed plaintiff's patent, and which had been hired by the United States Post-Office Department for an unexpired term of years. The court held the case to be governed by *Belknap* v. *Schild*, which, it said, turned on the proposition 'that they could not interfere with an object of property unless it had before it the person entitled to the thing.' The court further said:

"'In the case at bar the United States is not the owner of the machines, it is true, but it is a lessee in possession, for a term which has not expired. It has a property, a right in rem., in the machines, which, though less extensive than absolute ownership, has the same incident of a right to use them while it lasts. This right can not be interfered with behind its back and, as it can not be made a party, this suit, like that in *Belknap* v. *Schild*, must fail. * * * Whether or not a renewal of the lease could be enjoined is not before the court.'

"It will thus be seen that in the Belknap and Bruce cases the subject-matter involved was property of the United States, and that, therefore, the United States was necessarily a party. In the present case it is not sought to disturb the United States in the possession and use of the guns already manufactured. The court is not asked to deal with

property of the United States. The plaintiff simply asks that an officer of the United States be restrained from invading rights granted by the Government itself. The acts complained of are not only not sanctioned by any law, but are inconsistent with the patent laws of the United States.

"That 'no man is so high that he is above the law' and beyond the coercive process of the courts has long since been definitely determined. (*Osborn* v. *U. S. Bank*, 9 Wheat., 738; *U. S.* v. *Lee*, 106 U. S., 196; *Pennoyer* v. *McConnaughy*, 140 U. S., 1; *Tindal* v. *Wesley*, 167 U. S., 204; *Amer. School of Magnetic Healing* v. *McAnnulty*, 118 U. S., 94.)

"We can not see that this case differs in principle from the case last cited, which was a suit against the United States postmaster in charge of the United States post-office at Nevada, Mo., to restrain him from carrying out the provisions of a so-called 'fraud order' issued by the Postmaster-General. It was held that inasmuch as the Postmaster-General in issuing the order exceeded his authority the plaintiff was entitled to relief.

"The court said:

"'The acts of all its (the Government's) officers must be justified by some law, and in case an official violates the law to the injury of one individual the courts generally have jurisdiction to grant relief.'

"If an officer who in good faith is attempting to execute the command of his superiors, a command issued in supposed obedience of express statute, is

subject to the injunctive process of the courts, much more ought an officer to be restrained whose only excuse for violating private rights is that he is acting for the benefit of the Government.

"Assuming for the purpose of this opinion the truth of the allegations of infringement, it is apparent that unless the relief sought is granted plaintiff's patents will be valueless in the United States, since they are of use to the Government alone.

"It follows that the decree must be reversed, with costs, and the cause remanded for further proceedings not inconsistent with this opinion.

"Reversed."

Supreme Court of the United States.

SUPREME COURT OF THE UNITED STATES.

8

WILLIAM CROZIER,
Petitioner,

vs.

FRIED. KRUPP AKTIENGESELLSCHAFT,
Respondent.

No. 675

October Term, 1908.

Memorandum for Fried. Krupp Aktiengesellschaft, Respondent, on the Petition of William Crozier, for Writ of Certiorari.

The undersigned, as counsel for the respondent, concurs in the prayer of the petition for writ of *certiorari*, for the reason that it is important that the question of the jurisdiction of the Court below to entertain the complainant's bill should, in the interest of economy to both parties as set forth on page 10 of the petition, be finally determined before the merits of the case are entered upon at large.

But, in view of the fact that the bill of complaint was filed June 3rd, 1907, and a long time has elapsed since, chiefly employed by the hearings below on the demurrer, the respondent respectfully submits that if the prayer of the petition should be granted and the writ of *certiorari* issue, the case should be advanced for hearing upon the calendar of this Court so that the same may be heard and disposed of at an earlier date than, unless advanced, would be the case.

Respectfully submitted,

WM. A. JENNER,
Of Counsel for Respondent.

Dated, New York, January 12th, 1909.

The undersigned is authorized by the Solicitor General to say that in the event the petition for *certiorari* is granted the Government concurs in the motion to advance the case for hearing on some day convenient to the court.

January 16, 1909.

WM. A. JENNER,

Affirmed.

CROZIER *v.* FRIED. KRUPP AKTIENGESELLSCHAFT.

CERTIORARI TO THE COURT OF APPEALS OF THE DISTRICT OF COLUMBIA.

No. 8. Argued April 30, 1911.—Decided April 8, 1912.

Prior to the passage of the act of June 25, 1910, 36 Stat. 851, c. 423, a patentee, whose patent was infringed by an officer of the United States, could not sue the United States unless a contract to pay was implied; and the object of the statute is to afford a remedy under circumstances where no contract can be implied, but where the

property rights of the inventor have been appropriated by an officer of the United States for its benefit and the acts of such officer ratified by the Government by the adoption of such act.

Compensation for property taken under eminent domain need not necessarily be made in advance of the taking if adequate means be provided for a reasonably just and prompt ascertainment and payment thereof.

The duty to provide for payment of compensation for property taken under eminent domain may be adequately fulfilled by an assumption of such duty by a pledge either express or by necessary implication of the public good faith to that end.

The act of June 25, 1910, having afforded a remedy for a patentee whose property rights have been appropriated by an officer of the United States for the benefit of the Government, such patentee is entitled to maintain an action in the Court of Claims to have his compensation determined, and the statute makes full and adequate provisions for the exercise of power of eminent domain.

Since the enactment of the act of June 25, 1910, a patentee cannot maintain an action for injunction against an officer of the United States for infringing his patent for the benefit of the Government; his remedy is to sue in the Court of Claims for compensation.

In this case *held* that although this action was commenced before June 25, 1910, as it was confined solely to obtaining an injunction against future use, which cannot now be allowed, the action must be dismissed without prejudice to the right of the patentee to proceed in the Court of Claims for compensation under the act of 1910.

32 App. D. C. 1, reversed.

THE facts, which involve the right of a patentee to enjoin an officer of the United States from using the patent, and the construction and effect of the act of June 25, 1910, conferring jurisdiction on the Court of Claims in certain instances of claims of patentees against the United States, for use of patents, are stated in the opinion.

Mr. Stuart McNamara, Special Assistant to the Attorney General, with whom *The Attorney General* was on the brief, for petitioner:

The suit is unauthorized, being either against the United States directly, which is the only person to be

affected by the decree, in which case a necessary party is wanting; or indirectly against the United States through the person of its officer and agent, for which proceeding no authority is vouchsafed by law.

The rule that the Government is immune from suit except where immunity is waived applies to the United States. Bracton, de Leg., 168 B; Staunford Prerogative, 72 B; Hale, Analysis of Law, § 9; *Doe* v. *Roe*, 8 Mees. and W. 579. It cannot be subjected to legal proceedings at law or in equity without its consent, and whoever institutes such proceedings must bring his case within the authority of some act of Congress. *United States* v. *Clark*, 8 Pet. 444. The same exemption from judicial process extends to the property of the United States and for the same reasons. *The Siren*, 7 Wall. 152, 154.

The United States has consented to be sued through successive acts of Congress. These suits must be filed in the Court of Claims or in the Circuit or District Courts of the United States. The first consent was granted in the act of February 24, 1855, 10 Stat., c. 122, p. 612, followed by the act of March 3, 1863, 12 Stat., c. 92, p. 765, and the act of March 3, 1887, 24 Stat., c. 359, p. 509, with amendments, and finally in the recent act (passed since the decree below) of June 25, 1910, 36 Stat., c. 423, p. 853.

Under the statutes the United States may be sued on a contract where it or its representatives have used the inventions under a contract made by the United States with the owner of the invention. *United States* v. *Palmer*, 128 U. S. 262; *United States* v. *Berdan Company*, 156 U. S. 552. The United States may also be sued under an implied contract, where it has appropriated the patented property of an individual under circumstances implying an agreement on the part of the Government to pay reasonable compensation therefor. *United States* v. *Great Falls Mfg. Co.*, 112 U. S. 645; *United States* v. *Alexander*, 148 U. S. 186, 191. But the Government

cannot be sued in cases of tort. The United States has not consented to be sued in actions sounding in tort for wrongs done by their officers, even though in the discharge of official duties. *Gibbons* v. *United States*, 8 Wall. 269; *Langford* v. *United States*, 101 U. S. 341; *Hill* v. *United States*, 149 U. S. 593; *Schillinger* v. *United States*, 155 U. S. 163; *Russell* v. *United States*, 182 U. S. 516; *Stanley* v. *Schwalby*, 147 U. S. 508, 512.

This immunity does not extend to the officers of the Government. In times of peace they are personally liable to an individual whose rights of property they have wrongfully invaded, even by authority of the United States. *Bates* v. *Clark*, 95 U. S. 204. Such officers, although acting under the orders of the Government, are personally liable to be sued for their own infringement of a patent. *Cammeyer* v. *Newton*, 94 U. S. 225, 235.

In the recent act, approved June 25, 1910, the patentee is given still further authority to sue the United States, and he may now file suit in the Court of Claims to recover compensation where his patents have been used without his consent, though there be no contract with the Government, express or implied. The conceit of suing the officer in this case does not save the proceeding from its necessary gravitation into its reality as a suit against the United States and its property. The United States cannot be sued in this indirect manner any more readily than in a direct proceeding. *Belknap* v. *Schild*, 161 U. S. 10; *International Postal Supply Co.* v. *Bruce*, 194 U. S. 601.

The petitioner has no interest in the suit, has made no profits, and no damages are asked from him.

The frame of the bill seeking to enjoin the future making of field guns and carriages does not take the case out of the rule. The injunction, if granted, necessarily affects only the Government and its property. *Dashiell* v. *Grosvenor*, 162 U. S. 424.

The dominion of the owner of a patent confers no

rights greater than those of the owner of other property. He may secure compensation from the Government for the taking of his patented property, but he may not restrain the taking. *Schillinger* v. *United States*, 155 U. S. 163, 168.

A very important branch of public policy supports the doctrine of the immunity of the United States from being sued and enjoined by a patentee under such circumstances as these. The Government has reserved no right in the patents conferred superior to that bestowed, but it must retain its own sovereignty, one incident of which is the right to be free from being enjoined in its public works whenever a litigant may conceive an infringement and resort to suit.

Plain, adequate, and complete remedy may be had by respondent for the invasion of its patents and no circumstances of the case warrant the court's interference by injunction, even if jurisdiction to do so otherwise existed. *Bates* v. *Clark*, 95 U. S. 204; *Poindexter* v. *Greenhow*, 114 U. S. 270; *Armstrong-Whitworth Co.* v. *Norton*, 15 App. D. C. 223; *United States* v. *Lee*, 106 U. S. 196.

Wholly apart from the considerations which apply to a case where, as in the case at bar, effort is being made to enjoin the United States, there is still no authority for the injunction even were both parties private litigants, for under the circumstances the rule of the apportionment of hardships would be invoked and the injunction accordingly denied. Courts of equity frequently weigh the relative hardship inuring to the complainant if the injunction be denied, and to the defendant, if it be granted. And if it appear that the injury resulting to the defendant from the granting of the injunction would be harsher and more oppressive than that falling to the complainant if it be denied, the courts will remit the complainant to his other remedy and refuse to enjoin. *Gerken* v. *Hall*, 71 N. Y. Suppl. 753; *Gray* v. *Patterson*, 45 Atl. Rep.

995, N. J., 1900; *Lloyd* v. *Catlin Co.*, 210 Illinois, 460; *Smith* v. *Sands*, 24 Fed. Rep. 470; *Bowers Dredging Co.* v. *N. Y. Dredging Co.*, 77 Fed Rep. 980; *Huntington* v. *Alpha Portland Cement Co.*, 91 Fed. Rep. 534.

Mr. William A. Jenner for respondent:

The right of a patentee to make, use and vend the patented invention is exclusive of the Government of the United States as well as of all others, and any use of such invention unauthorized by the owner of the letters patent, whether done directly by the United States or indirectly through one of its officers, is a violation of that right. *Belknap* v. *Schild*, 161 U. S. 10; *Hollister* v. *Benedict Mfg. Co.*, 113 U. S. 59; *James* v. *Campbell*, 104 U. S. 356; *Cammeyer* v. *Newton*, 94 U. S. 225, 235; *United States* v. *Burns*, 12 Wall. 246.

The fact that the invasion of a plaintiff's property is done by a defendant while acting in his official capacity as an officer of the United States Government or of a state government does not of itself justify the wrong nor deprive plaintiff of the relief which otherwise the court would grant. *Davis* v. *Gray*, 16 Wall. 203; *Osborn* v. *United States Bank*, 9 Wheat. 738; *Board of Liquidation* v. *McComb*, 92 U. S. 531, 541; *Allen* v. *Baltimore & Ohio R. R.*, 114 U. S. 311; *Pennoyer* v. *McConnaughy*, 140 U. S. 1; *Howell* v. *Miller*, 91 Fed. Rep. 129; *American School of Healing* v. *McAnnulty*, 187 U. S. 94; *United States* v. *Lee*, 106 U. S. 196; *Tindal* v. *Wesley*, 167 U. S. 204; *Poindexter* v. *Greenhow*, 114 U. S. 270; *Bates* v. *Clark*, 95 U. S. 204; *Teal* v. *Felton*, 12 How. 284; *Little* v. *Barreme*, 2 Cr. 169; *Elliott* v. *Swarthout*, 10 Pet. 137. *Belknap* v. *Schild*, 161 U. S. 10; *International Postal Supply Co.* v. *Bruce*, 194 U. S. 601, do not sustain the defendant's contention, and the facts and the prayer for relief in those cases are materially different from those in the case at bar.

The courts have frequently entertained jurisdiction of actions brought to enjoin officers of the United States from infringement of letters patent. *Dashiell* v. *Grosvenor*, 162 U. S. 425; *Cammeyer* v. *Newton*, 94 U. S. 225; *James* v. *Campbell*, 104 U. S. 356; *Hollister* v. *Mfg. Co.*, 113 U. S. 59.

The argument that an injunction against the manufacture by defendant of guns and gun carriages infringing complainant's patent would in effect be an injunction against the free use by the United States of the material at its arsenals used in the manufacture of guns and gun carriages, and that the case is within *Belknap* v. *Schild* and *International Postal Supply Co.* v. *Bruce*, is untenable. See *Howell* v. *Miller*, 91 Fed. Rep. 129.

The complainant had no remedy at law for the infringement by defendant of its patents.

It was intimated in *James* v. *Campbell*, 104 U. S. 356, and *Hollister* v. *Manufacturing Co.*, 113 U. S. 59, that an action would lie within the jurisdiction of the Court of Claims to recover from the Government upon an implied promise to compensate a patentee for the use by the Government, or one of its officers, of his patented invention, but it was later settled that such a suit could not be maintained either in the Court of Claims, *Shillinger* v. *United States*, 155 U. S. 163, or in the Circuit Court of the United States, *Hill* v. *United States*, 149 U. S. 593.

If the officers of the United States have since the act approved June 25, 1910, used or shall hereafter use complainant's patented design, it is possible or probable that complainant may receive reasonable compensation under that act in the Court of Claims, but that possibility does not operate to defeat complainant's right to the equitable relief sought when the bill was filed.

The general rule is that where jurisdiction in equity has become established, a subsequent statute creating a remedy at law or removing the obstacles at law upon

the existence of which the equity jurisdiction was originally founded does not oust equity of that jurisdiction, unless the statute affirmatively discloses the legislative intent to make the legal remedy exclusive. 16 Cyc. 34, and cases cited, and see *White* v. *Meday*, 2 Edw. Ch. (N. Y.) 486; *New York Ins. Co.* v. *Roulet*, 24 Wend. 504–514; *Mayne* v. *Griswold*, 2 Sandf. (Sup. Ct. N. Y.) 463; *Saitly* v. *Elmore*, 2 Paige, 497; *Labadie* v. *Hewitt*, 85 Illinois, 341; *McNab* v. *Heald*, 41 Illinois, 326; *Crass* v. *R. R.*, 96 Alabama, 447; *Hardeman* v. *Batterlea*, 53 Georgia, 36.

The act of June 25, 1910, does not evidence any intent to oust equity when its jurisdiction had attached because there is no expression, and the act is not retroactive.

MR. CHIEF JUSTICE WHITE delivered the opinion of the court.

The defendant, a corporation organized under the laws of the German Empire, commenced this suit on June 8, 1907, in the Supreme Court of the District of Columbia. Relief was sought because of alleged infringements of three described letters patent of the United States, originally issued in the name of Fried. Krupp and assigned to the corporation. Two of the patents, numbered 722,724 and 722,725, were granted in 1903, and the third, issued in 1905, was numbered 791,347. The patents related to improvements in guns and gun carriages. The petitioner here, William Crozier, was named as sole defendant in the bill.

After full averments as to the issue of the patents and the assignments by which the plaintiff had become the owner thereof, it was charged that the defendant Crozier well knowing of the existence of the patents "in violation and infringement of said letters patent and of the exclusive rights granted and secured under said letters patent . . . since the seventeenth day of March,

1903, and within the period of six (6) years prior to the filing of this bill of complaint, in the city of Bridgeport, State of Connecticut, and in the Watervliet Arsenal in the State of New York, and in the Rock Island Arsenal in the State of Illinois, . . . and elsewhere in the United States," has "made and used, or caused to be made and used, is now making and causing to be made and used and threatens and intends to continue to make or cause to be made and to use and cause to be used," guns and recoil-brake apparatus and guns and gun carriages embodying the inventions owned by the complainant, in violation of the rights secured by the patents.

The prayer was for a preliminary and a permanent writ enjoining the defendant "his agents and employés, from making or using or causing to be made or used any guns or gun carriages or other devices which shall contain or employ the inventions or any of the inventions covered and secured by said letters patent or any of said letters patent." There was also a prayer that the defendant "may be compelled to account for and pay over to your orator all the profits which the defendant has or had derived from any making or using of any gun or any specimen or device covered and secured by said letters patent or any of said letters patent, and that also the defendant be decreed to pay all damages which your orator has incurred or shall incur upon account of defendant's infringement of any of said letters patent, with such increase thereof as shall be meet. . . ."

A stipulation was filed in the cause, in which, while expressly reserving the right of the defendant "to demur or otherwise plead to the bill of complaint, because of lack of jurisdiction on any ground, it was agreed as follows:

"The complainant stipulates that no pecuniary benefit has accrued to the defendant, William Crozier, by reason of the acts set forth in the bill, and complainant waives any claim against said defendant for an accounting of the

profits or for damages, if any, arising out of or suffered by the complainant by reason of the acts and things set forth in the bill. Defendant stipulates and agrees that the Government of the United States of America and the Ordnance Department of said Government have manufactured, are now manufacturing, and intend to continue the manufacture and use, or to cause to be manufactured for their use, field guns and carriages made after the so-called 'Model of 1902' referred to in the bill of complaint, the claim or claims of complainant being in no wise admitted; that the defendant, William Crozier, sued in this suit is an officer in the United States Army and Chief of the Ordnance of the United States Army, and is the officer in the service of the United States who directs and is in charge of such manufacture of said field guns and carriages for the United States. The complainant concedes that the defendant, William Crozier, is such officer. The defendant further stipulates and agrees that the complainant is a corporation organized and existing under the laws of the Empire of Germany and a citizen of said Empire and a subject of the Emperor of Germany.

"Further, complainant desires to amend its bill in certain particulars, and the defendant desires to consent thereto. It is therefore stipulated that the bill of complaint herein be amended to read as follows: In paragraph XXXII of said bill shall be eliminated and engrossed the words 'a preliminary and also,' and also the words 'or using' and the words 'or used,' so that the said 32nd paragraph of said bill of complaint shall, when so amended, read as follows:

"'And your orator therefore prays your honors to grant unto your orator a permanent writ of injunction issuing out of and under the seal of this honorable court directed to the said defendant, William Crozier, and strictly enjoining him, his agents and employés, from making or causing to be made any guns or gun carriages or other

devices which shall contain or employ the inventions or any of the inventions covered and secured by said letters patent or any of said letters patent.'

"Paragraph XXXIII of said bill of complaint shall be amended so as to eliminate and expunge from said paragraph the following words:

"'by a decree of this court may be compelled to account for and pay over to your orator all the profits which the defendant has or had derived from any making or using of any gun or any specimen or device covered and secured by said letters patent or any of said letters patent, and that also the defendant be decreed to pay all damages which your orator has incurred or shall incur upon account of defendant's infringement of any of such letters patent, with such increase thereof as shall seem meet, and that also the defendant'

"so that the paragraph marked XXXIII when so amended shall read as follows:

"'And your orator further prays that the defendant be decreed to pay the costs of this suit and that your orator may have such other and further relief as the equity of the cause or the statutes of the United States may require and to this court may seem just.'"

The defendant demurred to the amended bill on various grounds, all of which, in substance, challenged the jurisdiction of the court over the cause on the ground that the suit was really against the United States.

The demurrer was sustained and the bill dismissed. The Court of Appeals reversed and remanded the cause for further proceedings not inconsistent with its opinion. 32 App. D. C. 1.

The court held that there was a broad distinction between interfering by injunction with the use by the United States of its property and the granting of a writ of injunction for the purpose of preventing the wrongful taking of private property, even although the individual

who was enjoined from such taking was an officer of the Government, and although the purpose of the proposed taking was to appropriate the private property when taken to a governmental purpose. The cases of *Belknap* v. *Schild*, 161 U. S. 10, and *International Postal Supply Company* v. *Bruce*, 194 U. S. 601, were analyzed and held to be apposite solely to the first proposition, that is the want of authority to interfere with the property of the United States used for a governmental purpose. The court said:

"It will thus be seen that in the *Belknap* and *Bruce Cases* the subject-matter involved was property of the United States, and that, therefore, the United States was necessarily a party. In the present case it is not sought to disturb the United States in the possession and use of the guns already manufactured. The court is not asked to deal with property of the United States. The plaintiff simply asks that an officer of the United States be restrained from invading rights granted by the Government itself. The acts complained of are not only not sanctioned by any law, but are inconsistent with the patent laws of the United States."

A writ of certiorari was thereupon allowed.

The arguments at bar ultimately considered but affirm on the one hand and deny on the other the ground of distinction upon which the court below placed its ruling and by which the decisions in *Belknap* v. *Schild* and *International Postal Supply Company* v. *Bruce* were held to be distinguishable from the case in hand, and therefore not to be controlling. Thus the Government insists that although under the stipulation and the bill as amended, it resulted that no damages were sought in respect to use by the Government of the patented inventions, and no interference of any kind was asked with property belonging to the Government, nevertheless the suit was against the United States, because the defendant was conceded to be

an officer of the Army of the United States, engaged in the duty of making or causing to be made guns or gun carriages for the Army of the United States. This, it is contended, is demonstrated to be the case by considering that the right to enjoin the officer of the United States, which the court below upheld, virtually asserts the existence of a judicial power to close every arsenal of the United States. On the other hand, the plaintiff insists that the act of the officer in wrongfully attempting to take its property cannot be assumed to be a governmental act, but must be treated as an individual wrong which the courts have the authority to prevent. The exertion of the power to enjoin a wrong of that nature in order to prevent the illegal conversion of private property is, it is urged, a manifestly different thing from using the process of injunction to interfere with property in the possession of the Government and which is being used for a public purpose. But we do not think, under the conditions which presently exist, we are called upon to consider the correctness of the theory upon which the Court of Appeals placed its decision or the soundness of the contentions at bar by which that theory is supported on the one hand or assailed on the other. We reach this conclusion because since October 7, 1908, when the decision of the Court of Appeals was rendered, the subject to which the controversy relates was dealt with by Congress by a law enacted on June 25, 1910, 36 Stat., c. 423, p. 851, as follows:

"An Act To provide additional protection for owners of patents of the United States, and for other purposes.

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That whenever an invention described in and covered by a patent of the United States shall hereafter be used by the United States without license of the owner thereof or lawful right to use the same, such owner may recover reasonable compensation for such use by suit in the Court

of Claims: *Provided, however,* That said Court of Claims shall not entertain a suit or reward [*sic*] compensation under the provisions of this Act where the claim for compensation is based on the use by the United States of any article heretofore owned, leased, used by, or in the possession of the United States: *Provided further,* That in any such suit the United States may avail itself of any and all defenses, general or special, which might be pleaded by a defendant in an action for infringement, as set forth in Title Sixty of the Revised Statutes, or otherwise: *And provided further,* That the benefits of this Act shall not inure to any patentee, who, when he makes such claim is in the employment or service of the Government of the United States; or the assignee of any such patentee; nor shall this Act apply to any device discovered or invented by such employé during the time of his employment or service."

The text of this statute leaves no room to doubt that it was adopted in contemplation of the contingency of the assertion by a patentee that rights secured to him by a patent had been invaded for the benefit of the United States by one of its officers, that is, that such officer under the conditions stated had infringed a patent.

The enactment of the statute, we think, grew out of the operation of the prior statute law concerning the right to sue the United States for the act of an officer in infringing a patent as interpreted by repeated decisions of this court. *United States* v. *Palmer,* 128 U. S. 62; *Schillinger* v. *United States,* 155 U. S. 163; *United States* v. *Berdan Fire-Arms Mfg. Co.,* 156 U. S. 552; *Russell* v. *United States,* 182 U. S. 516; *Harley* v. *United States,* 198 U. S. 229. The effect of the statute was thus pointed out in the last cited case. (198 U. S. p. 234.)

"We held in *Russell* v. *United States,* 182 U. S. 516, 530, that in order to give the Court of Claims jurisdiction, under the act of March 3, 1887, 24 Stat. 505, c. 359,

defining claims of which the Court of Claims had jurisdiction, the demand sued on must be founded on 'a convention between the parties—a coming together of minds.' And we excluded, as not meeting this condition, those contracts or obligations that the law is said to imply from a tort. *Schillinger* v. *United States*, 155 U. S. 163; *United States* v. *Berdan Fire-Arms Mfg. Co.*, 156 U. S. 552."

In other words, the situation prior to the passage of the act of 1910 was this. Where it was asserted that an officer of the Government had infringed a patent right belonging to another—in other words, had taken his property for the benefit of the Government—the power to sue the United States for redress did not obtain unless from the proof it was established that a contract to pay could be implied—that is to say, that no right of action existed against the United States for a mere act of wrongdoing by its officers. Evidently inspired by the injustice of this rule as applied to rights of the character of those embraced by patents, because of the frequent possibility of their infringement by the acts of officers under circumstances which would not justify the implication of a contract, the intention of the statute to create a remedy for this condition is illustrated by the declaration in the title that the statute was enacted "to provide additional protection for owners of patents." To secure this end, in comprehensive terms the statute provides that whenever an invention described in and covered by a patent of the United States "shall hereafter be used by the United States without license of the owner thereof or lawful right to use the same, such owner may recover reasonable compensation for such use by suit in the Court of Claims." That is to say, it adds to the right to sue the United States in the Court of Claims already conferred when contract relations exist the right to sue even although no element of contract is present. And to render the power thus conferred efficacious the statute endows any owner of

a patent with the right to establish contradictorily with the United States the truth of his belief that his rights have been in whole or in part appropriated by an officer of the United States, and if he does so establish such appropriation that the United States shall be considered as having ratified the act of the officer and be treated as responsible pecuniarily for the consequences. These results of the statute are the obvious consequences of the power which it confers upon the patentee to seek redress in the Court of Claims for any injury which he asserts may have been inflicted upon him by the unwarranted use of his patented invention and the nature and character of the defences which the statute prescribes may be made by the United States to such an action when brought. The adoption by the United States of the wrongful act of an officer is of course an adoption of the act when and as committed, and causes such act of the officer to be, in virtue of the statute, a rightful appropriation by the Government, for which compensation is provided. In substance, therefore, in this case, in view of the public nature of the subjects with which the patents in question are concerned and the undoubted authority of the United States as to such subjects to exert the power of eminent domain, the statute, looking at the substance of things, provides for the appropriation of a license to use the inventions, the appropriation thus made being sanctioned by the means of compensation for which the statute provides.

This being the substantial result of the statute, it remains only to determine whether its provisions are adequate to sustain and justify giving effect to its plain and beneficent purpose to furnish additional protection to owners of patents when their rights are infringed by the officers of the Government in the discharge of their public duties. This inquiry may be solved, under the conditions here involved, by taking the most exacting

aspect of the well established and indeed elementary requirements in favor of property rights essential to be afforded in order to justify the taking by government of private property for public use.[1] Indisputably the duty to make compensation does not inflexibly, in the absence of constitutional provisions requiring it, exact, first, that compensation should be made previous to the taking—that is, that the amount should be ascertained and paid in advance of the appropriation—it being sufficient, having relation to the nature and character of the property taken, that adequate means be provided for a reasonably just and prompt ascertainment and payment of the compensation; second, that, again always having reference to the nature and character of the property taken, its value and the surrounding circumstances, the duty to provide for payment of compensation may be adequately fulfilled by an assumption on the part of government of the duty to make prompt payment of the ascertained compensation—that is, by the pledge, either expressly or by necessary implication, of the public good faith to that end.

Coming to apply these principles and confining ourselves in their application, as we have done in their statement, strictly to the conditions here before us, that is, the intangible nature—patent rights—of the property taken, the great possibilities in the essential operations of government that such rights may be invaded by incorporating them into property of a public character, of the vital public interest involved in the subject-matter of the patents in question and the grave detriment to the very existence of government which might result from interference with the right of the Government to make and use

[1] *United States* v. *Russell*, 13 Wall. 623; *Cherokee Nation* v. *Southern Kan. Ry. Co.*, 135 U. S. 641; *Sweet* v. *Rechel*, 159 U. S. 380; see Lewis' Eminent Domain, 3d ed., vol. 2, §§ 675, 679, and Cooley Cons. Lim., 7th ed., p. 813.

instrumentalities of the character of those with which the patents in question are concerned, of the purpose which the statute manifests to add additional protection and sanction to private rights, and the pledge of the good faith of the Government which the statute plainly implies to appropriate for and pay the compensation when ascertained as provided in the statute, we think there is no room for doubt that the statute makes full and adequate provision for the exercise of the power of eminent domain for which considered in its final analysis it was the purpose of the statute to provide. Indeed, the desire to confine ourselves to the particular case before us has led us to state and limit the doctrine which we here apply, when it was possibly unnecessary to do so. We say this because no contention was made in argument by counsel for the corporation that the statute of 1910 does not provide methods of compensation adequate to the exercise of the power of taking for which the statute provides. Thus, in the argument, it is said: "If the officers of the United States have since the act . . . used or shall hereafter use complainant's patented design, it is possible or probable that complainant may receive reasonable compensation under the act in the Court of Claims,"—this statement being followed by an insistence that even although this be the case the statute is not controlling because it was enacted after the bill was filed and did not therefore retroactively deprive the court below of the power to afford relief under the conditions existing when the suit was commenced. The conclusion of the argument on this subject was thus stated:

"The general rule is that where jurisdiction in equity has been established a subsequent statute creating a remedy at law or removing the obstacle at law upon which the existence of the equity jurisdiction was originally founded does not oust equity of that jurisdiction unless the statute affirmatively discloses the legislative

intent to make the legal remedy exclusive . . . We cannot discover in the act of June 25, 1910, any evidence of an intent to oust equity when its jurisdiction had attached, because there is no expression and the act is not retroactive."

But this contention is either an afterthought or is occasioned by overlooking the amendment to the pleadings operated by the stipulation to which we have hitherto referred. By that stipulation every conceivable claim based on the prior use of infringing devices was withdrawn. The prayer for a preliminary restraint was waived and all right to an accounting was likewise withdrawn. As a result the case was confined solely to obtaining at the end of the suit a permanent injunction forbidding the making of, or causing to be made by the defendant, guns or gun carriages embodying the inventions owned by complainant.

Upon the hypothesis that the decree of the court below remanding the case for further proceedings not inconsistent with its opinion was correct under the conditions existing when it was rendered, clearly under the circumstances now existing, that is, the acquiring by the Government under the right of eminent domain, as the result of the statute of 1910, of a license to use the patented inventions in question, there could be no possible right to award at the end of a trial the permanent injunction to which the issue in the case was confined. Moreover, taking a broader view and supposing that a final decree granting a permanent injunction had been entered below, in view of the subject-matter of the controversy and the right of the United States to exert the power of eminent domain as to that subject, at most and in any event the injunction could rightfully only have been made to operate until the United States had appropriated the right to use the patented inventions, and as that event has happened the injunction, if granted, would no longer have operative

force. It follows that the decree of the Court of Appeals must be reversed with directions to that court to affirm the decree of the Supreme Court of the District of Columbia dismissing the bill, without prejudice however to the right of the defendant here, who was the complainant below, to proceed in the Court of Claims in accordance with the provisions of the act of 1910.

Reversed and remanded.